

FACE TO FACE FRANCHISING, LLC
3801 N Capitol of Texas Hwy , Suite F-110
Austin, TX 78746
(800) 797-1345
www.FaceToFaceSpa.com



**CALIFORNIA
FRANCHISE DISCLOSURE DOCUMENT**

August 3, 2015

FRANCHISE DISCLOSURE DOCUMENT



FACE TO FACE FRANCHISING, LLC
(A Texas Limited Liability Company)
3801 N Capitol of Texas Hwy , Suite F-110
Austin, TX 78746
(800) 797-1345
Franchising@FaceToFaceSpa.com
www.FaceToFaceSpa.com

The franchise described is known as “Face to Face” Face to Face is an upscale medi-spa focusing on medical grade facials and chemical exfoliation peels to promote skin care and health Franchisees may choose to also offer botox and filler services by purchasing the optional spa package

The total investment necessary to begin operation of a Face to Face Single Unit Face to Face Spa is \$237,800 to \$444,950 This includes \$39,000 that must be paid to the Franchisor or its Affiliate(s) The total investment necessary to begin operation of a Face to Face Area Developer business is \$257,300 to \$464,500 This includes \$58,500 or more, depending upon the total number of units to be developed, that must be paid to the Franchisor or its Affiliate(s)

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English Read this Disclosure Document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale **Note however, that no governmental agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Jenny Abraham, c/o Face To Face Franchising, LLC at 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746, email at Franchising@FaceToFaceSpa.com, or telephone her at (800) 797-1345

The terms of your contract will govern your franchise relationship Do not rely on the Disclosure Document alone to understand your contract Read your entire contract carefully Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant

Buying a franchise is a complex investment The information in this Disclosure Document can help you make up your mind More information on franchising, such as “*A Consumer's Guide to Buying a Franchise*,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D C 20580 You can also visit the FTC’s home page at www.ftc.gov for additional information

There may also be laws on franchising in your state Ask your state agencies about them

Issuance Date August 3, 2015

CALIFORNIA
STATE COVER PAGE

Your state may have a franchise law that requires a Franchisor to register or file with a state franchise administrator before offering or selling in your state **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT**

Call the state franchise administrator listed in Exhibit H for information about the Franchisor, or about franchising in your state Please consider the following risk factors before you buy this franchise

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following **RISK FACTORS** before you buy this franchise

1 THE FACE TO FACE FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION OR LITIGATION IN TEXAS, UNLESS OTHERWISE STATED IN THE FRANCHISE AGREEMENT OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT ALSO COSTS YOU MORE TO MEDIATE OR LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE THE AREA DEVELOPMENT AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY LITIGATION IN TEXAS OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT ALSO COSTS MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE

2 THE FACE TO FACE FRANCHISING, LLC FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENTS STATE THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should make sure to do your own investigation of the franchise

Effective Date August 3, 2015

See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	Pending	North Dakota
Hawaii		Oregon
Illinois		Rhode Island
Indiana		South Dakota
Maryland		Virginia
Michigan		Washington
Minnesota		Wisconsin
New York		

TABLE OF CONTENTS

ITEM 1 - THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 - BUSINESS EXPERIENCE	2
ITEM 3 - LITIGATION	3
ITEM 4 - BANKRUPTCY	3
ITEM 5 - INITIAL FEES	3
ITEM 6 - OTHER FEES	4
ITEM 7 - ESTIMATED INITIAL INVESTMENT	7
ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
ITEM 9 - FRANCHISEE'S OBLIGATIONS	11
ITEM 10 - FINANCING	13
ITEM 11 - FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	13
ITEM 12 - TERRITORY	19
ITEM 13 - TRADEMARKS	20
ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	23
ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	24
ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	25
ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	26
ITEM 18 - PUBLIC FIGURES	31
ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS	31
ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION	33
ITEM 21 - FINANCIAL STATEMENTS	36
ITEM 22 - CONTRACTS	36
ITEM 23 - RECEIPT	36

EXHIBITS

FINANCIAL STATEMENTS	A
LIST OF FRANCHISE LOCATIONS	B
CONFIDENTIALITY AGREEMENT	C
FRANCHISE AGREEMENT	D
AREA DEVELOPMENT AGREEMENT	E
MULTI-STATE ADDENDUMS	F
LIST OF STATE ADMINISTRATORS	G
RECEIPTS AND ACKNOWLEDGEMENT	H

**ITEM 1 - THE FRANCHISOR, AND ANY PARENTS,
PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, the words “we,” “our” and “us”, and “Face to Face” refer to Face to Face Franchising, LLC, the franchisor of this business “You” and “your” refer to the person who buys the franchise, whether you are an individual, a Corporation, Limited Liability Company or other business entity If You are a Corporation, Limited Liability Company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted Our agent for service of process is disclosed at the end of this Disclosure Document in Exhibit H

The Franchisor

We were organized as a Limited Liability Company in Texas on May 12, 2014 We have no parents or predecessors Our principal business address is 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746 We do business under our company name and the names “Face to Face”, “Face to Face Spa” and “Face to Face Franchising ” We have offered franchises since June 15, 2014

We grant franchises to qualified persons or business entities in connection with the service marks “Face to Face Spa”, “Face to Face Medi Spa”, “Face to Face” and other related logos (collectively referred to as the “Marks”) * We refer to these businesses as “Face to Face Spas ” We refer to the Face to Face Spa or Medi Spa that You will operate as the “Franchised Business” or generally the “Face to Face Spa” unless specifically called a Medi Spa In addition to granting franchises for individual Face to Face Spas, we also allow certain franchisees who fit our criteria to become Area Developers Area Developers open and operate a predetermined number of additional Face to Face Spas in a specified Development Territory You must operate the Franchised Business in accordance with our standards, methods, procedures and specifications, which we refer to as our “System” and which are more particularly described in our Franchise Agreement

We have never operated a Face to Face Spa, however, our Affiliate, Face to Face Spa, LLC, has We are not engaged in any other line of business, nor have we ever offered franchises in another line of business

Our Affiliates

Our Affiliate currently operates 2 Face to Face Spa locations in and around the Austin, Texas area as more fully set forth in Item 12 Our Affiliate supplies some services to our franchisees, which is described in greater detail in Items 6 and 8 of this Disclosure Document Our Affiliate does not offer nor has it previously offered a franchise in this or any other line of business The name and principal business address of our Affiliate is Face to Face Spa, LLC, 14900 Avery Ranch Blvd , Ste A-200, Austin, TX 78717

Our Affiliate, Face to Face Spa, LLC is also the owner of the trademarks associated with the Face to Face name Face to Face Spa, LLC has licensed exclusively to Face to Face Franchising, LLC all the trademarks and proprietary property for a period of 99 years More information about the Marks can be found within the Disclosure Document under Item 13

Capitalized terms not otherwise defined have the same meaning as in our Franchise Agreement attached as Exhibit E to this Disclosure Document.

General Description of the Franchise, Market and Competition

We grant franchises for upscale medi-spas that operate under the name "Face to Face Spa" and offer medical grade facials and chemical exfoliation peels and other related goods and services to promote skin care and health ("Face to Face Spas") We also offer an optional package that allows the Face to Face Spa to offer botox and filler services ("Face to Face Medi Spas") Face to Face Medi Spas will offer both the traditional services of a Face to Face Spa as well as additional botox and filler services Throughout this Franchise Disclosure Document, the term "Face to Face Spa" will collectively refer to both Face to Face Spas and Face to Face Medi Spas

The facial spa industry is highly competitive in most markets and is fully developed Your Face to Face Spa will compete with other business offering professional facials and chemical peels such as massage therapy spas, day spas, health clubs and independent practitioners You may also encounter competition from Us, our Affiliate or other franchisees

Regulations

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Face to Face Spa such as, state licensing and certification requirements may apply to persons who perform services for you at your Face to Face Spa Additionally, some or all records of your Face to Face Spa's patients may be required to meet HIPAA compliance standards Many states also require estheticians to be licensed and you must ensure that your Face to Face Spa and the estheticians, nurses, and physicians (if you purchase a Face to Face Medi Spa) who work in your Face to Face Spa comply with these requirements You must ensure that only licensed estheticians, nurses, and physicians perform any services for which a license or specialized training is required It is also your responsibility to thoroughly investigate the applicable business, zoning and licensing rules and regulations in your state and municipality before opening your Face to Face Spa You must also comply with laws that apply generally to all businesses There may be other federal, state and/or local laws or regulations pertaining to your Face to Face Spa with which you must comply, such as the Americans with Disabilities Act, Federal wage and hour laws and the Occupational Safety and Health Act You may wish to investigate these laws before purchasing your Face to Face Spa

You will be required to provide copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the Term of the franchise agreement for your Face to Face Franchise that indicate your non-compliance with any applicable law, rule or regulation, to use within 2 days of your receipt of these items

You should consider these and other applicable laws and regulations when evaluating your purchase of a franchise Under the Franchise Agreement, You are solely responsible for understanding and complying with the particular laws of your state as they pertain to physician practices and general businesses We advise that you consult with an attorney to ensure compliance with all relevant laws

Our process service agent is Shelton & Power, LLC, 202 Walton Way, Ste 192, Cedar Park, TX 78613, however, several state agencies are also designated as our agent, entity or person for service of process in accordance with the applicable state laws These states are listed in Exhibit H attached to this Disclosure Document We may register in one or more of those states

ITEM 2 - BUSINESS EXPERIENCE

President/ CEO

Jenny Peterson

Ms Jenny Abraham has served as our President and CEO since our inception in May 2014 Concurrently, Ms Abraham has served as the owner/ operator of our Affiliate since its inception in 2011 Additionally, Ms Abraham is a registered nurse and since August 2012 has worked with

Maxim to direct nursing care to local Austin, TX hospitals. Prior to working with Maxim and our Affiliate, Ms. Abraham worked with Parallon in Austin, TX as a registered nurse where she provided direct nursing care and services focusing on intensive care from December 2005 through May 2011.

Information Security Officer

Charles Peterson

Mr. Charles Peterson has served as our Chief Security and Information Officer since our inception in May 2014. From July 1998 to present, Mr. Peterson also has served concurrently as Vice President of Information Technologies with the Texas Hospital Association.

Director of Franchise Sales & Marketing

Emily Champ

Ms. Emily Champ serves as our Director of Operations and has held that position since our inception in May 2014. Ms. Champ also serves concurrently as Regional Manager for our Affiliate and has held that position since May 2013. Prior to working with us and our Affiliate, Ms. Champ was Vice President of Betweenusgirls.com in Austin, TX from February 2011 to March 2013 where she was responsible for data research, marketing, budgeting, and internet analytics. Additionally, from January 2008 to January 2009, Ms. Champ worked as an administrative assistant at St. David's Community Health Foundation in Austin, TX.

ITEM 3 - LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 - BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 - INITIAL FEES

The California Department of Corporations' Securities Regulation Division requires us to defer payment of the initial franchise fee and other initial payments owed by You to us until we have completed our pre-opening obligations under the franchise agreement.

Franchise Agreement

You must pay us an initial Franchise Fee of Thirty-Nine Thousand Dollars (\$39,000.00) in a lump sum when You sign the Franchise Agreement, unless otherwise stated in the State Addendum attached. The Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to You as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Franchise Fees, as described above, are uniform for all franchisees and are fully earned by us when you sign the Franchise Agreement and are not refundable under any circumstances.

Area Development Agreement

If you have chosen to enter into, and have been approved for, an Area Development Agreement, you must sign the Area Development Agreement simultaneous with the Franchise Agreement for your first Franchised Business. When signing an Area Development Agreement, You must pay Your Franchise Fee for the first franchise when signing the Area Development Agreement plus 50% of the Franchise Fee due for each additional franchised business to be developed, minus any discounts. You must pay us the initial franchise fee plus the Area Development Fee in a lump sum when you sign the Area Development Agreement, unless otherwise stated in the State Addendum.

attached The Area Development Fee is fully earned by us when you sign the Area Development Agreement and is not refundable under any circumstances

Discounts

The Franchise Fee and Area Development Fee above is not uniform for all franchisees We offer the following discounts

- **Industry Professionals** Spa and medical industry professionals such as physicians, nurses and estheticians will receive 50% off the Franchise Fee for each franchise they purchase
- **Veterans** Honorably discharged U S Military Veterans will receive 50% off the Franchise Fee for each franchise they purchase
- **Employees** Any person who is a current employee of any Face to Face Spa location that has been employed for two or more years is eligible to receive 100% off the Franchise Fee for each franchise they purchase

ITEM 6 - OTHER FEES

Name of Fee	Amount	Due Date	Remarks (All Sections are referencing the Franchise Agreement unless otherwise stated)
Royalty Fee ¹	5% of Gross Revenue	Weekly, ACH Auto Deposited	See definition of Gross Revenue ³
National/ Regional Advertising Fee ¹	1% of Gross Revenue	Weekly, ACH Auto Deposited	See Item 11 for information regarding the National/ Regional Advertising Fee
Local Advertising Fee	5% of Gross Revenue or \$1,500 per month, whichever is greater	Monthly	You pay directly for Local Advertising Receipts for proving payment of Local Advertising are due by the 10 th of the following month We do not require Local Advertising expenditures to be used in cooperative advertising
Grand Opening Project	\$10,000 to \$13,000	60 days from starting operation	You must promote your Face to Face Spa in your local area through use of approved advertising materials during the 60 days after operations have begun You must submit proof of receipts to Us after the 60 day period
Audit Expenses ¹	All costs and expenses associated with audit	Upon demand	Audit costs payable only if the audit shows an understatement in amounts due of 2% or more

Name of Fee	Amount	Due Date	Remarks (All Sections are referencing the Franchise Agreement unless otherwise stated)
Late Fees ²	\$100 per occurrence	Upon demand	Applies to all overdue Royalty Fees, Marketing Fees and other amounts due to Us Also applies to any understatement in amounts due revealed by an audit
Insufficient Funds Fee	\$100 per occurrence ²	Upon demand	Applies to all returned payments made by You that do not clear Your bank for any reason whatsoever
Insurance	Actual cost of premiums, plus our costs and expenses	As incurred	If you fail to obtain and maintain the insurance we require and we elect to do so on your behalf, you must reimburse us
Transfer Fee ¹	A fee equal to 2/3 of the then-current franchise fee	Time of transfer	Does not apply to a transfer under Section 18.3 of the Franchise Agreement
Other Audit Fees and Amounts ⁶	All costs and expenses associated with audit	Upon demand	You will be required to pay for any other third party audits, including any governmental type audits
Additional Training ⁵	Rates as published in the Manual, currently, \$400 per day, plus expenses	Time of service	We provide initial training for You and up to 2 additional people You pay for additional training for additional trainees, a substitute Designated Manager and, at Our option, for a new Designated Manager at Our facility
Additional Operations Assistance ⁵	Rates as published in the Manual, currently, \$400 per day plus our expenses	Time of assistance	You pay for additional assistance if You request it or if We provide assistance to Your clients
Ongoing Training Programs ⁶	You are required to pay Your expenses as well as Your employees' expenses for attending	Time of program	We provide update training No tuition or training fees are assessed, attendance will not be required more than 1 time per year and collectively will not exceed 4 days in any calendar year
Temporary Management Assistance ¹	Rates as published in the Manual, currently, \$400 per day plus Our	Each day that it applies	Following the death or incapacity of an owner of the Franchised Business, We may assume operation of the Franchised Business until the deceased or incapacitated owner's

Name of Fee	Amount	Due Date	Remarks (All Sections are referencing the Franchise Agreement unless otherwise stated)
	expenses		interest is transferred to a third party approved by Us We charge this temporary management fee during the time We are operating Your Franchised Business and We will also be entitled to reimbursement of any expenses We incur that are not paid out of the operating cash flow of the Franchised Business
Indemnification	Will vary with circumstances	As incurred	You must defend lawsuits at Your cost and hold Us harmless against lawsuits arising from Your operation of the Franchised Business
Renewal Fees	25% of the then-current franchise fee	90 days prior to termination	You must notify Us in writing at least 90 days prior to the end of Your Franchise Agreement with Us that You wish to Renew Your Franchise You must also sign a General Waiver and Execute the then-current Franchise Agreement
Lease Renewal Fee	\$2,500	Upon demand	If we choose to assist with any lease negotiations with Your landlord
Replacement Operations Manuals	\$1,000 each	Upon request	You are loaned one copy of the Operations Manuals If You require a replacement copy this fee will be due upon ordering it
Liquidated Damages on Confidential Information Disclosure only	\$20,000 per breach		This is contained in the Confidentiality Agreement attached as Exhibit C, and only applies prior to becoming a Franchisee
Liquidated Damages	Within 15 days, pay the amount due based upon the formula noted in the Remarks section	Upon termination	An amount equal to the average weekly Royalty Fees Franchisee paid to Us during the 12 months of operation preceding the effective date of termination or \$10,000 00 multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in this Agreement had it not been terminated, whichever is higher, or until the Protected Territory, as defined under Section 2 5 is granted to a third party, without the necessity of holding a full trial, and without the necessity of posting security or bond

Name of Fee	Amount	Due Date	Remarks (All Sections are referencing the Franchise Agreement unless otherwise stated)
			The liquidated damages provision only covers Our damages from the loss of cash flow from the loss of continuing Royalty Fees

No other fees or payments are to be paid to Us, nor do we impose or collect any other fees or payments for any other third party All fees are generally nonrefundable

NOTES

- 1 These fees are imposed by and are payable to Us as listed in due date column of the above chart Franchisor owned units do not have voting power in cooperatives established
- 2 Interest begins from the date of the underpayment and shall not exceed the maximum amount allowed by law
- 3 "Gross Revenue" will include all revenue generated by the Face to Face Spa excluding sales taxes and tips in case tips are included in gross revenue by the POS system
- 4 You must maintain certain types of insurance coverage as disclosed in Item 9 or in the Manual
- 5 These amounts are estimates and approximate the average charge to You for services Charges may vary based upon the actual time spent by Our staff and the duration of the training or assistance provided
- 6 These items are directly payable to third party vendors upon their billing to You

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$39,000	Lump Sum	Upon Signing	Us
Utility and Miscellaneous Security Deposits ⁴	\$500 to \$750	As Arranged	Before Opening	Landlord and Utility Companies
Real Estate/ Rent Deposit (Three Months) ³	\$12,000 to \$16,500	As Arranged	Before Opening and Monthly	Your Landlord
Signage	\$4,500 to \$7,000	As Arranged	Before Opening	Approved Suppliers
Leasehold Improvements ⁵	\$50,000 - \$175,000	As Arranged	Before Opening	Landlord, Contractors, and Vendors
Furniture, Fixtures, and Equipment ⁶	\$35,000 to \$60,000	As Arranged or as Lump Sum	Before Opening	Approved Suppliers

YOUR ESTIMATED INITIAL INVESTMENT				
EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Software	\$800 to \$1,200	As Arranged	Before Opening	Approved Suppliers
POS and Business Hardware	\$5,000 to \$8,000	As Arranged	Before Opening	Approved Suppliers
Professional Fees	\$500 to \$1,500	As Incurred	Before Opening	Third Parties as Incurred
Inventory and Supplies	\$24,000 to \$30,000	As Arranged	Before Opening	Approved Suppliers
Insurance ⁷	\$2,000 to \$3,000	Installment/ As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
Training Expenses	\$4,000 to \$5,000	As Incurred	During Training/ Before Opening	Third Parties as Incurred
Grand Opening Marketing	\$10,000 to \$13,000	As Incurred	Before Opening	Third Parties as Incurred
Additional Funds ⁹ (Three Months)	\$50,000 to \$85,000	As Incurred	As Incurred	Operating Capital
Total¹⁰	\$237,800 to \$444,950			

NOTES TO ITEM 7

1 Estimated Initial Investment

The above estimates do not provide for your cash requirements to cover operating losses after the initial phase or personal living expenses. You must have additional sums available, whether in cash or through unsecured credit lines or have other assets that You may liquidate or that You may borrow against, to cover your personal living expenses and any operating losses after the initial phase of your Face to Face™ Spa. We urge You to retain the services of an experienced accountant or financial advisor in order to develop a business plan and financial projections for your Face to Face™ Spa. Your actual investment will vary depending upon local conditions particular to your geographic area or market. We do not finance any portion of your initial investment.

2 Initial Franchise Fee and Area Development Fee

The initial franchise fee is \$39,000 for your first Face to Face Spa. If you signed an Area Development Agreement, you will receive a discount of 50% off of the franchise fee after your first franchise. For purposes of the initial investment chart above, we have assumed that you are purchasing your first franchise and paying the higher \$39,000 franchise fee in both the low and high end estimates. The initial franchise fee is not refundable under any circumstances.

3 Real Estate/Rent

A traditional Face to Face Spa ranges in size from 1,700 to 2,600 square feet. Rent expense (sometimes first month's rent required in advance) for the Franchised Business will vary based on location and square footage, and other such factors. Note that you are required to execute, along with

any lease, the Collateral Assignment of Lease attached to the Franchise Agreement which gives Us the right to enter the premises and conduct business upon your breach of the Franchise Agreement

4 Lease, Utility and Miscellaneous Security Deposits

You may be required to pay a lease deposit (typically the last month's rent) before You can enter the premises. Utility companies may require You to place a deposit and/or pay an installation fee before occupying the premises or installing telephone, gas, electricity and related utility services. These deposits may be refundable under agreements made with the Landlord and utility companies.

5 Leasehold Improvements

The cost of construction build-out before occupying the leased premises for your location, including the cost of design, architectural services and services performed by our required supplier for construction services will vary depending on the size, state, city or area in which you will build your unit. The location, condition of the premises as turned over from your landlord, the demand for the premises among prospective lessees, the sites previous use and the extent of the improvements required will have a significant impact on total cost. Typically, costs are higher in larger metropolitan areas and areas with significant population growth or if you choose premises in excess of our recommended range. The range disclosed in our item 7 chart includes the construction management fee you must pay to our required construction management supplier for the construction of your unit. In addition, the range disclosed is the range of costs after deducting any landlord allowances (tenant improvements, rent deduction and the like) which may or may not be granted by your landlord. Your construction cost may be higher depending on one or all of the factors described in this note.

You must have interior and exterior signage bearing the Marks as prescribed by us. The cost of signage will vary based upon the supplier of the signage, size, number of signs, and requirements of the office location and may also be affected by applicable municipal code and zoning restrictions. You must use at least those signs shown on the standard list of internal signs. Face to Face requires for every Franchise Business. Some Franchisees choose to have more than the standard internal and external signage quantities.

6 Furniture, Fixtures and Equipment

The equipment estimate does not include freight or unique design alterations requested by You or as may be required by any unusual configuration of the designated site. The low estimate assumes leasing various equipment and the high estimate assumes purchase of all equipment.

The equipment necessary for the operation of a Franchise Business is listed in the Confidential Operations Manual (the "Manual"). You may purchase or lease approved brands and models from approved suppliers. The cost of the equipment will depend on financing terms available, the size of the Franchise Business, brands purchased, and other such relevant factors.

Fixtures may include desks, signs, wall coverings, and decorations. The cost of fixtures will vary, depending on the layout of the Franchise Business and other relevant factors.

You are not required to purchase any equipment, fixtures, etc., from us or any specified source. However, all equipment, fixtures, construction, leasehold improvements and interior decor (if applicable) must meet our standards and specifications and must be approved by us. Local ordinances may result in variances in the type of required equipment, which may affect the total price.

7 Insurance

You must obtain and maintain the required insurance coverage as described by us in Item 8 of this Disclosure Document. The cost of insurance will vary based on types and limits of insurance purchased, location of the Franchise Business, terms available and other related factors. The estimate provided is for your insurance deposit.

8 Training

You or your designated Franchise Business manager must participate in Face to Face's initial training as stated in Item 11 of this Disclosure Document. This item does not include any wages or salary for you or your employees during training. Additional information regarding training is available in Item 11 of this Disclosure Document.

9 Additional Funds

An amount of working capital is projected as sufficient to cover operating expenses for three months, including employee salaries and overhead, but excluding salary for an owner-operator. However, we cannot guarantee that this amount will be sufficient or that You will not have additional expenses starting the business. Your costs will depend on factors such as how much You follow our methods and procedures, Your management skill, experience and business acumen, local economic conditions, the local market for our product, the prevailing wage rate, competition, and the sales level reached during the initial period.

10 Total

We relied upon our actual experience and the experience of our affiliates to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Services, Equipment, Fixtures, Furniture and Signs

You must contract, purchase, lease, or license any services, equipment, furniture, fixtures, supplies, or other materials to be used in the operation of the Franchise Business, if any, from sources or suppliers previously approved in writing by Us. All services and items must conform to Our current criteria. A complete list of approved suppliers will be given within the proprietary Manual.

You may purchase items and services for which we have not identified approved suppliers from any source, if the items and services meet our specifications. These specifications may include maintenance of uniformity, quality, price, customer service, and the ability to service the entire system.

You must comply with Our specifications for brands and types of equipment used in the Franchised Business. If you propose to purchase any items for use in your Face to Face Spa from an unapproved source for which we have identified, designated, or approved supplier(s), you must request our approval first. We may require, as a condition of granting approval, that our representative(s) be permitted to inspect the supplier's facilities, and that information, specifications, and samples as we reasonably request be delivered to us for testing. We do not charge a fee for this testing. We will notify you within 90 days of your request as to whether we approve the supplier or product. If no approval is received within 90 days, it is deemed denied. Upon written acceptance and approval by us of services or products and suppliers submitted for inclusion on the Approved Suppliers List and Approved Supplies List, You will be free to purchase such service or product from such approved supplier. We may revise our Approved Supplier and Approved Supplies Lists.

We apply the following general criteria in designating a proposed supplier as an approved source:

- 1 Ability to provide the service or product to Our quality specifications,
- 2 Production and delivery capability,

- 3 Production and delivery costs,
- 4 Integrity of the supplier, and
- 5 Legality of the product or company

Currently, neither We nor any persons affiliated with us is or are an approved supplier of any required goods or services, and neither You nor any person affiliated with us will or may derive revenues as a result of required purchases or leases by You

We estimate that the cost of required equipment and supplies purchased in accordance with our specifications will represent (a) 70-80% of your total purchases and leases in establishing the business and (b) 30-50% of your total purchases and leases during operation of the business

Insurance

You must obtain and maintain insurance, at Your expense, with policy limits as required by Us, applicable law, Your landlord, and lender or otherwise. The policies must be written by an insurance company reasonably satisfactory to Us with a best rating of "A-" or better and include the risks, amount of coverage and deductibles as stated below. We reserve the right to increase the minimum insurance requirements

- A "all risk" property insurance, including business interruption insurance, customarily obtained by similar businesses in your general area to cover, at a minimum, all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Face to Face Spa, and
- B Comprehensive general liability insurance, including products and contractual, in an amount of not less than \$1,000,000 per occurrence with a \$2,000,000 general aggregate, and
- C Workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than \$1,000,000, and
- D An umbrella policy in an amount of not less than \$1,000,000, and
- E Professional liability coverage on each employee who performs services on customers with coverage in amounts not less than \$100,000 per employee, and
- F If necessary, automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than \$1,000,000 combined single limit

Bookkeeping and Records

You will establish and maintain a bookkeeping, accounting and record keeping system conforming to Our requirements, as may be periodically revised. You will submit periodic reports, forms and records as specified in the Franchise Agreement, the Manual or otherwise

ITEM 9 - FRANCHISEE'S OBLIGATIONS

This table lists Your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation		Section In the Franchise Agreement (FA) and Development Agreement (DA)	ITEM In the Disclosure Document
a	Site selection and acquisition/lease	FA Article 5 DA None	ITEMS 11 and 12
b	Pre-opening purchases/leases	FA Articles 5, 12 and 15	ITEMS 7, 8 and 11

Obligation		Section In the Franchise Agreement (FA) and Development Agreement (DA)	ITEM In the Disclosure Document
		DA None	
c	Site development and other pre-opening requirements	FA Articles 5 and 8 DA None	ITEMS 7, 8 and 11
d	Initial and ongoing training	FA Article 8 DA None	ITEMS 6, 7 and 11
e	Opening	FA Articles 5 and 8 DA Article 4	ITEM 11
f	Fees	FA Articles 3, 5, 8, 10, 11, 12, 13, 15, 18 and 21 DA Articles 3, and 7	ITEMS 5, 6, 7 and 11
g	Compliance with standards and policies/Operating Manual	FA Articles 6, 7, 9, 10, 11, 12 13, 15, and 18 DA None	ITEMS 8 and 16
h	Trademarks and proprietary information	FA Articles 6, 7, 9, and 17 DA Articles 6, 8, and 9	ITEMS 13 and 14
i	Restrictions on products/services offered	FA Articles 5, 6, 7, 10, 11, 12 and 13 DA None	ITEMS 8 and 16
j	Warranty and customer service requirements	FA Article 13 DA None	ITEM 16
k	Territorial development and sales quotas	FA Article 2 and 13 DA Articles 2, 4, and Exhibit I	ITEM 12
l	Ongoing product/service purchases	FA Article 13 DA None	ITEMS 8 and 11
m	Maintenance, appearance and remodeling requirements	FA Articles 5, 10 and 13 DA None	ITEM 6
n	Insurance	FA Article 15 DA None	ITEMS 6, 7 and 8
o	Advertising	FA Articles 3 and 11 DA None	ITEMS 6, 7 and 11
p	Indemnification	FA Article 21 DA Article 11	ITEM 6
q	Owner's participation/management/ staffing	FA Articles 8 and 13 DA Article 4	ITEM 15
r	Records and reports	FA Articles 5 and 12 DA None	ITEM 11
s	Inspections and audits	FA Articles 6, 12 and 16 DA None	ITEMS 6, 11 and 13
t	Transfer	FA Articles 18 DA Articles 7 and 8	ITEM 17
u	Renewal	FA Articles 4 and 16 DA Article 5	ITEM 17
v	Post-termination obligations	FA Article 17 and 21 DA Article 9	ITEM 17
w	Non-competition covenants	FA Articles 7, 17 and Exhibit 2 DA Article 9	ITEM 17
x	Dispute resolution	FA Article 23	ITEM 17

Obligation	Section In the Franchise Agreement (FA) and Development Agreement (DA)	ITEM In the Disclosure Document
	DA Article 13	

ITEM 10 - FINANCING

We do not offer direct or indirect financing We do not guarantee your note, lease or obligations

ITEM 11 - FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide You with any assistance

A Our Pre-Opening Obligations

Before You open your Franchised Business, we will

1 designate your Protected Territory, as further described in ITEM 12, (Franchise Agreement, Section 2 5)

2 if You are an Area Developer, designate your Development Territory, as further described in ITEM 12, (Development Agreement, Section 2 1 and Exhibit I)

3 if we have not already approved a site that You have selected before signing the Franchise Agreement, then we will evaluate your chosen site based on the following criteria the condition of the premises, demographics of the surrounding area, proximity to other Face to Face Spas, proximity to competing spas, lease requirements, proximity to major roads, available parking, and overall suitability We will provide You with written notice of our approval of any proposed site within 30 days after receiving all requested information If You do not receive a denial from us within 30 days, the site is deemed approved If You receive a denial You must submit an alternate site until approved You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us In the event an approved location cannot be determined, either party may terminate the Franchise Agreement, (Franchise Agreement, Sections 2 2, 2 3 and 5 1)

If You are an Area Developer, You must propose the specific sites for our consideration according to the process above (Development Agreement, Sections 2 1)

Note Neither We nor any of our employees have special expertise in selecting sites, We make no representations that Your Franchised Business will be profitable or successful by being located at the Approved Location Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience,

4 review and approve Your lease or purchase agreement for the site for the Approved Location, if applicable, (Franchise Agreement, Section 5 3)

Note Our review of Your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that You will succeed at the leased or purchased premises,

5 provide You with a standard overview for the build-out options for the Franchised Business, if necessary, along with the name of Our approved layout design technician and a list of suggested equipment that You might choose to purchase or lease and install, (Franchise Agreement, Section 5 3)

Note Neither We nor any of our employees have special expertise in conforming the plans and specifications to Your local territory You will be solely responsible for ensuring that all local ordinances and building codes are followed and that You obtain all required permits if You choose to build-out,

6 provide an initial training program This training is described in detail later in this Item, (Franchise Agreement, Section 8 1)

7 provide to You, on loan, one copy of the Face to Face Operations Manual in electronic The Table of Contents of the Operations Manual, along with the number of pages devoted to each section, is described in detail later in this ITEM, (Franchise Agreement, Section 9 1)

B Typical Length of Time Between the Signing of the Franchise Agreement and Beginning Operation

We estimate that the typical length of time for you to open your Face to Face Spa will be a maximum of 120 days from the date we approve your site Factors that may affect your beginning operations include ability to secure travel arrangements to training, financing, compliance with local ordinances, weather conditions and delays in setup or installation of software, equipment and fixtures You are required to open your Franchised Business and be operational within 120 days after receipt of approval of your site If you do not open your Face to Face Spa within the above time frame, we reserve the right to terminate your franchise agreement (Franchise Agreement, Section 5 5)

C Other Assistance During the Operation of The Franchised Business

After the opening of the Franchised Business, We will

1 periodically, advise and offer general guidance to You Any guidance provided will be based on Our, our Affiliates' and/or our other franchisees' experience in operating Face to Face Spas (Franchise Agreement, Section 14 1)

2 make periodic visits to the Franchised Business to assist and guide You in various aspects of the operation and management of the Franchised Business We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of any such visit If we prepare a report, You will be provided with a copy, (Franchise Agreement, Section 14 2)

3 make available to You changes and additions to the System as generally made available to all franchisees, (Franchise Agreement, Section 10 2 and 14 3)

4 periodically, provide advertising and promotional materials for your use or purchase, (Franchise Agreement, Section 14 4)

5 review, for approval, forms of advertising materials You will use for Local Advertising, Opening Advertising and any optional Advertising, (Franchise Agreement, Sections 11 1, 11 2 and 11 3)

6 maintain our website(s) located at www.FaceToFaceSpa.com and continue to promote Face to Face Spas through the Internet. We will prepare and maintain an interior page to our site promoting or giving information about Your Franchised Business, (Franchise Agreement, Section 11.4)

7 maintain our Social Media sites and applications such as Twitter, Pinterest, Facebook, LinkedIn and other sites and applications that we may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes without our approval. We will establish and own any and all Social Media sites that we choose for You and may require You, at your expense, to participate in Our established Social Media marketing. We have the right to determine the content and use of all Social Media sites and will establish the rule under which all franchisees must or may participate. Can revoke in our discretion, Any representations from You or your employees regarding your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under the Franchise Agreement, and You will be responsible for all costs including legal costs for any required fines or legal actions as a result of your postings, (Franchise Agreement, Section 11.4)

8 provide You with modifications to the Manual as they are made available to franchisees, (Franchise Agreement, Section 9.2)

9 will treat all franchisees as equals. All services and support will be on a first come first served basis. You will enjoy a "favorite franchisee" status with Us. Large or multi-unit owners will not receive any special treatment by Us over single unit franchisee. All Franchise Agreements will contain this same provision. (Franchise Agreement, Sections 10.1)

D Advertising and Promotion

All advertising and promotions must be previously approved in writing by us. If we do not approve your submitted advertising and promotional material within twenty (20) days, they are deemed denied. Additionally,

1 We have developed a System-wide Marketing Fund that You will be required to contribute to ("Marketing Fund"). We have set the exact percentage that You must contribute to at one percent (1%) of the previous month's Gross Revenue. We may adjust the percentage up 1% with 30 days advance notice to You, but it can never be raised more than 4% during any Franchise Agreement term. (Franchise Agreement, Section 11.2) We will administer the Marketing Fund as follows

(a) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Marketing Fund,

(b) We may use Your contributions to meet or reimburse us for any cost of producing, maintaining, administering (including costs of personnel), directing and conducting research and advertising (including the cost of preparing and conducting television, radio, billboard, Internet, video, video-streaming, digital signage, audio, magazine, newspaper and direct mail advertising campaigns, conventions and other public relations activities, developing and/or hosting an Internet web page of similar activities, employing advertising agencies to assist therein, and providing promotional brochures and other marketing materials to franchisees). We initially plan to conduct all advertising in-house, or we may use a national or regional marketing agency. We will maintain your contributions in a separate account from our other funds and we will not use them for any of our

general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Marketing Fund,

(c) We expect to use all contributions in the fiscal year they are made. We will use any interest or other earnings of the Marketing Fund before we use current contributions. We intend for the Marketing Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the Marketing Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our franchisees on a *pro rata* basis. Any funds not used in a particular fiscal year will rollover to the next fiscal year for use,

(d) All Face to Face™ Spas owned by Us will make similar contributions to the Marketing Fund as required of franchisees,

(e) We will have an accounting of the Marketing Fund prepared each year and we will provide You with a copy if You request it. It is our intention to provide a copy each year at the annual convention and training seminar, discussed later in this ITEM. We may require that the annual accounting be audited by an independent certified public accountant at the Marketing Fund's expense,

(f) The Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund, and

(g) We anticipate that 95% of the marketing fund will be spent toward media and advertising production on a national or regional basis. We will not utilize more than 5% of the Marketing Fund for administrative expenses and follow-through.

2 You must list the Franchised Business through Yelp.com, City Search, Google maps, Mapsco and in your local telephone yellow pages directory in the category that we specify. You must place the listings together with other Face to Face Spas operating within the distribution area of the directories. (Franchise Agreement, Section 11.5)

3 Although we are not obligated to do so, upon certain conditions as listed in the Franchise Agreement, we allow you to create a Cooperative Advertising program for the benefit of all Face to Face Spa businesses located in a particular region, including non-voting Franchisor owned unit(s). You may participate in any Cooperative Advertising program established in your region. If Cooperative Advertising is implemented in a particular region, You must participate in the Cooperative. You may establish an advertising council for franchisees in that region to self-administer the program. We do not have the power to require Cooperative Advertising programs to be created, dissolved or merged. We will require each Cooperative Advertising program to prepare periodic financial statements which are available for your review which will delineate the amount each franchisee will be required to contribute. (Franchise Agreement, Section 11.3)

E Computer/Software/Phone System

You must purchase, for use in the Franchised Business our specified point of sale, computer systems, telephone systems, and equipment. We do not specify specific computer hardware or an Internet supplier. However, you must have Microsoft Office 2013 or newer, Java, Adobe flash/shockwave, Adobe Reader, Webex, and Vimeo programs. Your computer must be in good repair, with sufficient memory to carry out ordinary business functions, as provided in the Operations Manual. We may require that you add additional, new or substitute software, replace or upgrade your computer systems and equipment, and enter into maintenance agreements with third parties. You must acquire, install, and maintain all required anti-virus and anti-spyware software as designated by us in addition to any email or internet usage policies that we require within 30 days of written notice. You

are solely responsible for updating the manufacturer's software on each device and ensuring that each device is not older than three versions past (Franchise Agreement, Section 12.6)

You must purchase the online edition of the QuickBooks accounting system. You will be responsible for any ongoing upgrades or updates to the system. We will have access to the accounting system through QuickBooks remote access to validate the income and expenses of your Face to Face Spa (Franchise Agreement Section 3.6)

There is currently only one approved point of sale system that you can purchase to satisfy our requirements. You may purchase the approved system through MindBody which must include at least 1 cash drawer and 1 printer. We reserve the right to act as collection agent for MindBody, and collect fees you owe to them. We estimate that the MindBody system and computer equipment will cost approximately \$200 per month per location.

We have the right to independently access all information collected or compiled by or in accordance with your use of the software at any time without first notifying you. You must update or upgrade computer hardware or software as we deem necessary. We do require that you enter into a subscription to the online QuickBooks update service with Intuit (Franchise Agreement, Section 12.6)

F E-Problem Disclaimer

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures and similar problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, third-party vendors, lenders, landlords, and governmental agencies on which You rely, have reasonable protection from E-Problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection and anti-virus systems) and to provide backup systems (Franchise Agreement, Section 12.6)

G Operations Manual

We will loan to You, during the term of the Franchise Agreement, one copy of the Manuals containing reasonable and mandatory specifications, standards, operating procedures and rules prescribed by us for Face to Face Spas and information relative to Your other obligations and the operation of your Franchised Business. You must maintain a current, updated copy of the Manuals. If there are any disputes over the contents of the Manual, the terms of the master copy maintained at our headquarters will control. Our interpretations of the provisions of the Manuals are controlling, and You must abide by our interpretations. We will have the right to periodically add to and otherwise modify the Manuals to reflect changes in the specifications, standards, operating procedures and rules required by us for Face to Face Spas, provided no addition or modification will materially change your fundamental status and rights under the Franchise Agreement or require You to spend unreasonable additional capital investment (Franchise Agreement, Article 9). The Table of Contents for the Manuals, as of the date of this Disclosure Document are as follows:

OPERATIONS MANUALS	
SECTION	NUMBER PAGES
Introduction	10

Pre-Opening Procedures	46
Human Resources	77
Spa Operating Procedures	52
Spa Management Procedures	51
Marketing and Promotion	20
Appendices	6
TOTAL PAGES	256

We have a compilation of manuals and materials that total 256 pages. Failure to follow the mandatory specifications, standards or operating procedures in the Manuals, as amended from time to time, may constitute a material breach of the Franchise Agreement. If such a material breach is not cured within thirty (30) days of receipt of the written notice from us of default, we may terminate the Franchise Agreement (Franchise Agreement, Section 16.2).

H Training

We will conduct an Initial Training program of approximately 4 weeks, that the Designated Manager (which is You, if You are not a corporation or other business entity) must attend and complete to our satisfaction. Although Initial Training is mandatory for the Designated Manager, You may bring up to 2 additional trainees free of charge. Training will take place at our corporate office headquarters in Austin, Texas or at another location or locations we designate. We expect trainees will advance through the training program at different rates depending on a variety of factors such as background and experience. Accordingly, the time frames provided in the following chart are an estimate of the time it will take to complete training. Additional employees may attend any scheduled training session at no additional charge if spaces are available in the training session. You must pay for all travel costs and living expenses for your attendees. This Initial Training is in addition to the on-the-job assistance we provide to You (Franchise Agreement, Article 8).

TRAINING PROGRAM

Subject	Classroom Training (Hrs)	On the Job Training (Hrs)	Location/ Instructor(s)
History/ Philosophy of Face to Face Spa	5	0	Austin, TX
Use of the Manual	5	0	Austin, TX
Pre-Opening Procedures	2	0	Austin, TX
Marketing and Promotion	4	2	Austin, TX
Human Resources	3	0	Austin, TX
Spa Operating Procedures	10	12	Austin, TX
Client Service Procedures	6	12	Austin, TX
Selling Memberships and Products	5	4	Austin, TX
Spa Administration/ Management	20	20	Austin, TX
Use of Technology	3	2	Austin, TX
Esthetician training	0	40	Austin, TX
Front Desk	0	40	Austin, TX
On-site training	0	40	Your location
	54	172	

Total			
--------------	--	--	--

Training may be provided by the following and/or other members of Franchisor's or an Affiliates current staff Jenny Abraham who has owned and operated a Face to Face Spa since 2011 and has worked as a registered nurse since 2005, Christine Brandon who has worked as a medical esthetician and make-up artist since 2006, Emily Champ who has 5+ years' experience in administrative and managerial support experience, Vanessa Simon who has worked as an accountant since 1996, and Amy Dyer who has worked in customer service and business administration for 6+ years

If circumstances require, a substitute trainer may provide training We also reserve the right to name additional trainers periodically There are no limits on our right to assign a substitute to provide training

You may be required to attend refresher training at our location or another location that we designate Attendance at these programs will be at your expense, however, we will not require You to attend more than 1 of these programs in any calendar year and these programs will not collectively exceed 4 days during any calendar year (Franchise Agreement, Section 8 5)

ITEM 12 - TERRITORY

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

We will grant You a Territory that will be delineated by a specific geographic boundary The territory may vary depending on population density or market considerations, as determined by us in our sole discretion, but will be delineated by a minimum number of households equal to 50,000 with an average annual income of \$100,000 or greater The size and shape of your Territory will also take into consideration the specific market variables of your location, such as population density, market trends, traffic flow, the location of other Face to Face Spas and natural and man-made boundaries Upon entering into a lease, approved by us with all applicable lease rider provisions we require, for the location of your Face to Face Spa, a written description of your territory will be provided to you and will be inserted into the Franchise Agreement by an addendum (the "Territory")

The continued right of your Territory does depend on your sales quotas We require that during each calendar year you reach or surpass \$200,000 in gross revenue If you fail to reach or surpass the minimum sales requirements, we have the right to establish, offer or sell another Face to Face Spas within your Territory

If You are in compliance with the Franchise Agreement during its term, we will not establish any other Face to Face Spa or any substantially similar franchised or company-owned businesses in your Protected Territory ("Protected Territory") However, we have the right to (a) establish, own or operate, or continue to own or operate, and license others to establish, own or operate, or continue to own or operate, Face to Face™ Businesses outside of the Protected Territory, (b) establish, own or operate, and license others to establish, own or operate, or continue to own or operate, other businesses under other systems using other trademarks at locations inside or outside of the Protected Territory, (c) purchase or acquire the assets or controlling ownership of one or more businesses identical or similar to the Franchised Business (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Protected Territory, (d) be acquired by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Protected Territory, (e) provide the services and sell any products authorized for Face to Face Spa using the Marks or other trademarks and commercial symbols through

alternate channels of distribution, such as joint marketing with partner companies and Internet sales and catalog sales, but we will not make any sales to Competitive Businesses inside of the Protected Territory, and/or (f) engage in any other activities not expressly prohibited in the Franchise Agreement (Franchise Agreement, Sections 2 5, 2 6 and 2 7)

You may not relocate your Face to Face Spa without Our prior written consent. If the lease for the Approved Location expires or terminates through no fault of You or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable or as otherwise may be agreed upon in writing by both You and Us, We may allow You to relocate the Franchised Business. Any such relocation will be at Your sole expense, and must follow the requirements of Sections 5 1 through 5 6 of the Franchise Agreement including all timeframes. There may need to be modifications by Us, to reflect the new circumstances. We have the right to charge You for any costs incurred by Us in providing assistance to You, including, legal and accounting fees. Otherwise, We have no obligation to provide relocation assistance. If we do not approve of any relocation site, this Agreement shall terminate.

Development Agreement

If You are a Developer, we will grant You a protected Area Development Territory. The Area Development Territory will vary in size depending upon the number of Face to Face Spas You intend to develop, population density and demographics and other factors. If You meet the minimum Development Schedule, comply with all other provisions described in the Development Agreement and comply with the provisions of each related Franchise Agreement, we will not establish or operate, or license others to establish or operate, any Face to Face Spa in your Development Territory during the term of the Development Agreement.

However, We and our Affiliates have the right to (a) continue to own and operate, and allow others to continue to own and operate, Face to Face Spa existing inside and/or outside of the Development Territory as of the date of the Development Agreement, (b) establish, own or operate, and license others to establish, own or operate, Face to Face Spa outside of the Development Territory, (c) establish, own or operate, and license others to establish, own or operate, or continue to own or operate, businesses under other systems using other proprietary marks, both within and outside the Development Territory, (d) purchase or acquire the assets or controlling ownership of one or more businesses identical or similar to the Franchised Business (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Territory, (e) be acquired by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Development Territory, (f) provide the services and sell any products authorized for Face to Face™ Businesses using the Marks or other trademarks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, Internet sales and catalog sales, but we will not make any sales to Competitive Businesses within the Development Territory, and/or (g) engage in any activities not expressly forbidden by the Development Agreement (Development Agreement, Section 2 2).

At the expiration of the Development Agreement, if You have complied with all of its terms and conditions, and if We determine that the Development Territory can support additional Face to Face Spa, we will, for one year after the expiration of the Development Agreement, give You a right of first refusal to own and operate any additional Face to Face Spa we propose for development inside of the Development Territory (Development Agreement, Section 5 2).

ITEM 13 - TRADEMARKS

Registrations and Applications

We grant our Franchisees the right to operate their Face to Face Spa under the name “Face to Face” which is the principal Mark used to identify our System. You may also use any other current or future Mark to operate your Franchised Business that we designate in writing, including the logo on the front of this Disclosure Document and the trademarks listed below. By “Mark”, we mean any trade name, trademark, service mark or logo used to identify your Face to Face Spa. As of the date of this Disclosure Document, Face to Face Spa, LLC, has filed the registration, and all required Affidavits for the following Marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”).

Mark	International Classification	Registration Number	Filing Date
FACETOFACE SPA	IC 035, IC 044	4686979	December 23, 2013
 FACE TO FACE SPA™ PROMOTING SKIN HEALTH AND BEAUTY	IC 035, IC 044	Serial 86425435	June 10, 2014

Face to Face Spa, LLC has granted us a license to use and sublicense to use the above-mentioned Marks, dated June 15, 2014. The term of the license is for 99 years. The license agreement may be terminated if we take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if we wind up, sell, consolidate or merge our business, or if we breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach. Within the license agreement, the term “Marks” includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by Face to Face Spa, LLC that are used in connection with the System. This license agreement licensed to us any future trademarks acquired by Face to Face Spa, LLC as well.

Proceedings

We know of no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court, pending infringement, opposition or cancellation, or pending material litigation involving the Marks.

Agreements

Except as stated above, there are no agreements currently in effect that significantly limit our rights to use or to license the use of the Marks in any manner material to the franchise.

Infringing Uses

We know of no infringing or prior superior uses that could materially affect the use of the Marks in this State or any other state in which the Franchised Business is to be located.

Your Rights and Obligations with Respect to the Proprietary Property Including the Proprietary Mark

All usage of the Marks by You and any goodwill established through your use will exclusively benefit us. You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Business. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by You is a breach of the Franchise Agreement and an infringement of Our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to You after You sign the Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

We will protect You against claims of infringement or unfair competition arising from your use of any Marks provided (a) You immediately notify us of any apparent infringement of, or challenge or claim to Your use of any Marks, (b) You are in complete compliance with Your Franchise Agreement, (c) You allow us to take whatever action we deem appropriate in these situations. This means we have exclusive control over any settlement or proceeding concerning any Mark, and (d) You agree to be a witness in any legal or arbitration proceeding on our behalf. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. You may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims, however, You may communicate with your own counsel at your own expense (Franchise Agreement, Sections 6.3).

You must use the Marks as the sole trade identification of the Franchised Business, however, You may not use any Mark or part of any Mark as part of your business entity name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law (Franchise Agreement, Section 6.2).

You must notify us in writing before applying for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks (Franchise Agreement, Section 6.2).

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing the words "Face to Face" or any variation thereof without our prior written consent (Franchise Agreement, Section 6.7).

We have the sole right to maintain Social Media sites and applications such as Twitter, Pinterest, Facebook, LinkedIn, and other sites and applications that we may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes. You and your employees do not have the right to utilize the Mark(s) Face to Face on any Social Media sites or applications, even if made from a personal Social Media account. Further, any representations from You, or your employees regarding your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, are deemed a breach of Confidential Information under the Franchise Agreement (Franchise Agreement, Section 11.5).

The Development Agreement does not grant the right to use the Marks or the right to license others to use the Marks. Use of the Marks is granted only under the Franchise Agreement.

Indemnification of You

We will reimburse You for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if You notify us of the proceeding in a timely manner and You have complied with our directions with regard to such proceeding. We have the right

to control the defense and settlement of any such proceeding. We will not reimburse You for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse You in connection with disputes where we challenge your use of a Mark. (Franchise Agreement, Section 6.4)

Modification

We can require You to modify or discontinue the use of any Mark and/or to use other trademarks or service marks. If we adopt and use new or modified Marks, You may be required to add or replace supplies, signs and fixtures, and You may have to make other modifications as necessary to maintain uniformity with our current standards and specifications, however, You will not be required to spend more than your initial investment during the initial term of the Franchise Agreement. We will not be required to reimburse You for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse You for any loss of goodwill associated with a modified or discontinued Mark. (Franchise Agreement, Section 6.5)

ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Under the Franchise Agreement, You agree not to contest, directly or indirectly, our ownership, title, right or interest in our common law rights, copyrights, Trade Dress, Trade Secrets, Confidential Information, the System, methods, procedures or any other intellectual property rights that are part of our System or contest our sole right to register, use or license others to use (except as limited by the Franchise Agreement) the common law rights, copyrights, Trade Dress, Trade Secrets, Confidential Information, the System, methods, procedures or any other intellectual property rights that are part of our System.

Patents

No patents are material to the franchise.

Copyrights

We own copyrights in the Manual, our website, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not and are not required to register these copyrights with the United States Registrar of Copyrights. You must use these items only as we specify while operating the Franchised Business and You must stop using these items if we direct You to do so. You may not duplicate or disclose any portion of the Manual in an unauthorized manner. Further, all information is proprietary and the Franchise Agreement and the Development Agreement require You to keep such information confidential.

Proceedings

We know of no currently effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Except as stated above, our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Confidential Information

We have developed certain Trade Secrets and other Confidential Information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Face to Face™ Business. We will provide our Trade Secrets and other Confidential Information to You during training, in the Manual and as a result of the assistance we furnish You during the term of the franchise. You may only use the Trade Secrets and other

Confidential Information for the purpose of operating your Franchised Business. You may only divulge Trade Secrets and other Confidential Information to employees who must have access to it in order to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to Trade Secrets or other Confidential Information, including the owners, directors, managers of the business, nurses, and physicians (and members of their immediate families and households), are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements (Franchise Agreement, Section 7.4).

Proprietary Information

Face to Face Spa, LLC has granted us a license, dated June 1, 2014, to use and sublicense for the use of its domain name www.FaceToFaceSpa.com. The term of the license is for 99 years, however, the license agreement may be terminated if we take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if we wind up, sell, consolidate or merge our business, or if we breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach. (Franchise Agreement, Section 6.7)

We have the sole right to maintain Social Media sites and applications such as Twitter, Pinterest, Facebook, LinkedIn, and other sites and applications that we may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes. You and your employees do not have the right to utilize any of the Trade Secrets and Confidential Information stated above, or the common law copyrighted materials including the guidelines, books, signage, promotional materials, Manual, training materials, Franchise Agreements, Development Agreements, and any other documents, materials and items for the general ambiance and decor used in the operation of the System and the Face to Face Spa on any Social Media sites or applications, even if made from a personal Social Media account. Further, any representations from You, or your employees regarding your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under the Franchise Agreement, and You will be responsible for indemnifying and reimbursing us all legal, penalties, fines, and court costs associated with your unauthorized representations. (Franchise Agreement, Section 11.5)

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for You or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other Franchisees. Likewise, we will disclose to You concepts and developments of other Franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchised Business must always be under the direct supervision of a Designated Manager. If You are an individual, You must devote your personal attention to the day-to-day operation of the Franchised Business, or employ a manager responsible for running the Franchised Business. If You are a corporation or other business entity, the Designated Manager must be the person You designate in writing (and approved by us in writing) and have primary responsibility for managing the day-to-day affairs of the Franchised Business.

Unless we otherwise agree in writing, You and all Designated Managers must attend and successfully complete our training program. You must keep us informed of the identity of your current Designated Manager. The Manager must devote his or her best efforts to the management and operation of Your Face to Face Franchise. You may hire any Manager acceptable to Us rather than be the Manager but this will increase the cost of operation of your Face to Face Franchise and may impair results. Any replacement or additional Managers that You hire must complete the Initial Training class before managing your Face to Face Franchise, unless we otherwise agree in writing. You are responsible for the expenses of additional Training, including tuition, travel, lodging, meals and salary. The manager must sign a Confidentiality Agreement which prohibits the manager from disclosing proprietary information related to the Franchise or System, as described in Item 14, and contains covenants not to compete during and after employment for a period of two years, as described in Item 17. The Designated Manager must not have an interest or business relationship with any of Face to Face's competitors. Further, the manager must submit to a criminal background check and have not been convicted of any felony, theft, sex offender, or abuse related offenses. Your Managers must sign our form of Non-Disclosure and Non-competition Agreement before You grant access to the Manuals or any other Confidential Information. (Section 6.2, 7.4 and 8.1 of the Franchise Agreement)

If You are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and Development Agreement and agree to be personally liable for your breach of the Franchise Agreement and Development Agreement by signing the Guaranty and Assumption of Obligations attached to each agreement.

You are not our employee but are your own boss subject to our rights under your Franchise Agreement. We encourage You to be active in the operation of your Franchised Business but do not require any personal or location participation by You. We do not require any personal participation of any specific person affiliated with a corporate or partnership franchisee. You agree that your Franchised Business is not a "passive" investment but requires You or your Designated Manager's day-to-day supervision of the operation of your Franchised Business.

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify periodically, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized in writing and You must discontinue offering any services or products that we may disapprove. Face to Face may modify any of its specifications, standards, or requirements as and when it deems necessary and You must promptly modify your operation or product lines accordingly. There are no limits on our right to do so. If we modify the System, You may be required to add or replace equipment, supplies, signs and fixtures, and You may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications.

We may require you, if permitted by law, to participate in a gift card or other customer loyalty program according to the provisions set forth in the Manuals or otherwise disclosed to you. In order to participate, you may be required to purchase additional equipment and pay any fees applicable for use of the equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be derived or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

You must promote, offer, sell and dispense all products and services required by us as part of the System. You may not co-brand with any other business. You must not engage in any activity, conduct or practice that is contrary to Our or Your best interest, or that is reasonably anticipated to result in litigation with suppliers or customers of Your Franchise Business, or in public criticism of Face to Face or your Franchised Business generally.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing for the purpose of customer or operational feedback or evaluation, your qualifications, and regional or local differences

You may recommend other suppliers that are not on our approved list. We will evaluate your recommended suppliers to determine if their products meet our specifications and requirements.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
a Length of the term of the franchise	Section 4.1	The initial term is 10 years
b Renewal or extension of the term	Section 4.2	You may renew your Franchise Agreement for up to two additional terms of 5 years, subject to (c) below. If You fail to meet any one of these conditions, we may refuse to renew or extend the terms of your Franchise Agreement.
c Requirements for You to renew or extend	Section 4.2	You may renew the Franchise Agreement if You have fully complied with the provisions of the Franchise Agreement or have cured any Notices of Default, have the right to maintain possession of the Approved Location or an approved substitute location for the term of the renewal, have made capital expenditures as necessary to maintain uniformity with the System, have satisfied all monetary obligations owed to us, are not in default of any provision of the Franchise Agreement or any other agreement between You and Us, have given timely written notice of your intent to renew, sign the then-current Franchise Agreement, comply with current qualifications and training requirements, and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d Termination by You	Section 16.1	You may terminate the Franchise Agreement if You are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice.
e Termination by Us without cause	Not Applicable	

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
f Termination by Us with cause	Section 16 2	We may terminate the Franchise Agreement only if You default
g "Cause" defined- curable defaults	Section 16 2	You can avoid termination of the Franchise Agreement if You (i) cure a default arising from your failure to comply with any legal or regulatory notice within 15 days of receipt from the administrative or legal authority or (ii) fail to comply with mandatory specifications in the Franchise Agreement or Manual within 15 days of receiving our notice of default or (iii) if You cure a default arising from your failure to make payments due us within 5 days of receiving our notice of termination. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h "Cause" defined- defaults that cannot be cured	Section 5 5, 16 2	We have the right to terminate the Franchise Agreement without giving You an opportunity to cure if You fail to have your Designated Manager satisfactorily complete training within ninety (90) days of execution of the Franchise Agreement, made a material misrepresentation or omission in the application for the Franchise, are convicted of or plead no contest to a felony, abuse, sex offender or other crime or offense likely to affect the reputation of either party or the Franchised Business, use the Manual, Confidential Information or the Marks in an unauthorized manner, abandon the Franchised Business for 3 or more consecutive days, surrender or transfer of control of the Franchised Business in an unauthorized manner, fail to maintain the Franchised Business under the primary supervision of a Designated Manager if You die or become disabled, submit reports to Franchisor on 2 or more separate occasions understating any amounts due by more than 2%, are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors, misuse or make unauthorized use of the Marks, fail on 3 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate, continue to violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public, take any action reserved to us, fail to comply with applicable law after notice, repeatedly breach the Franchise

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
		Agreement or comply with specifications, or default under any other agreement between You and us (or an Affiliate) such that we (or the Affiliate) have the right to terminate the agreement Termination of a Franchise Agreement will not automatically result in the termination of your other Franchise Agreements then in-effect between us unless the same material breach constitutes a breach of the other Franchise Agreement and we take separate steps to terminate the Franchise Agreement
i Your obligations on termination/non-renewal	Section 17 1	If the Franchise Agreement is terminated or not renewed, You must stop operating the Franchised Business, stop using any Confidential Information, the System and the Marks, if requested, assign your interest in the Approved Location to us, cancel or assign to us any assumed names, pay all sums owed to us including damages, liquidated damages and costs incurred in enforcing the Franchise Agreement, return the Manual and all other Confidential Information, assign your telephone and facsimile numbers for the Franchised Business to us, comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement
j Assignment of contract by Us	Section 18 1	There are no restrictions on our right to assign our interest in the Franchise Agreement
k "Transfer" by You-definition	Section 18 2	"Transfer" includes transfer of an interest in the Franchise, the Franchise Agreement, the Approved Location, the Franchised Business's assets or the Franchisee entity
l Our approval of transfer by You	Section 18 2	Except for transfers among spouses, members, or partners, You may not transfer your interest in any of the items listed in (k) above without our prior written consent
m Conditions for Our approval of transfer ¹	Section 18 2	We will consent to a transfer if we have not exercised our right of first refusal, all obligations owed to us are paid, You and the Transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement, the prospective Transferee meets our business and financial standards, the Transferee and all persons owning any interest in the Transferee sign the then current Franchise Agreement, You provide us with a copy of all contracts and agreements related to the transfer, You or the Transferee pay

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
		a transfer fee equal to 2/3 of the then-current franchise fee, the Transferee or the owners of Transferee have agreed to be personally bound by all provisions of the Franchise Agreement, You have agreed to guarantee performance by the Transferee, if requested by us, the Transferee has obtained all necessary consents and approvals of third parties, You or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Franchise Agreement, and the Transferee has agreed that its Designated Manager and any additional nurses or physicians will complete the initial training program before assuming management of the Franchised Business
n Our right of first refusal to acquire Your Franchised Business	Article 19	We may match an offer for your Franchised Business or an ownership interest You propose to sell
o Our option to purchase Your Franchised Business	Section 17 4	Except as described in (n) above, we do not have the right to purchase your Franchised Business, however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for book value
p Death or disability	Section 16 2 and 18 6	After a death or incapacity of one of your owners, his or her representative must transfer, subject to the terms of the Franchise Agreement, the owner's interest in the Franchised Business or in the entity owning the interest in the Franchised Business within 24 months of death or incapacity or we may terminate the Franchise Agreement If we deem it necessary, we may take over the operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred, and we may charge a fee of \$400 per day for this service and be entitled to reimbursement of expenses
q Non-competition covenants during the term of the franchise	Section 7 3 and 7 4	You, your owners (and members of their families and households) and your officers, directors, executives, managers, and employees are prohibited from attempting to divert any customer, employee or other business associate of ours, the Franchised Business, our Affiliate(s) or any other franchisee to a Competitive

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
		Business, or soliciting or attempting to induce any customer, employee or other business associate of ours, the Franchised Business, our Affiliate(s) or any other franchisee to terminate or modify their business relationship with us, the Franchised Business, our Affiliate(s) or any other franchisee or causing injury or prejudice to the Marks or the System, owning or working for a Competitive Business
r Non-competition covenants after the franchise is terminated or expires	Section 17 2	For 2 years after the termination or expiration of the Franchise Agreement, You, your owners (and members of their families and households) and your officers, directors, executives or managers are prohibited from owning or working for a Competitive Business operating within 30 miles of the Approved Location or within the Protected Territory (whichever is greater), and within 30 miles of any other Face to Face Spa, or soliciting or influencing any patients, nurses, physicians, employees or business associates of ours, our Affiliate(s) or any other franchisee to terminate or modify their business relationship with us, our Affiliate(s) or any other franchisee
s Modification of the agreement	Sections 9 2 and 22 6	The Franchise Agreement can be modified only by written agreement between You and us We may modify the Manual without your consent if the modification does not materially alter your fundamental rights
t Integration/merger clause	Section 22 6	Only the terms of the franchise agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	Section 23 7	Except for actions or claims for injunctive relief or specific performance or relating to the Marks, Trade Secrets or Confidential Information, all disputes are subject to mandatory mediation in Williamson County, Texas
v Choice of forum	Section 23 2	Claims for injunctive relief or specific performance may be brought by us where You are located All litigation must be filed in Williamson County, Texas
w Choice of law	Section 23 1	Texas law applies, unless voided by your state (see State Addendums attached), except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sec 1051 et seq)

THE FRANCHISE RELATIONSHIP		
Provision	Section In the Franchise Agreement	Summary
x Liquidated Damages	Section 17.9	If You default on your Franchise Agreement, You must pay \$10,000 per week retroactive to the first date of offense through the end of the term of the Franchise Agreement or the date which is two years from the first date of the offense, whichever is less, as a liquidated damage

ITEM 18 - PUBLIC FIGURES

We have no Public Figures within the Franchise System at the time of this Disclosure Document

ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a Franchisor to provide information about the actual or potential financial performance of its franchised and/or Franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if (1) a Franchisor provides the actual records of an existing outlet You are considering buying, or (2) a Franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following financial performance representation consists of two sections representing historical data for our Affiliate's, Face to Face Spa, LLC, two locations. Section A provides historical data for Our Affiliate store located at 14900 Avery Ranch Blvd, Ste A-200, Austin, TX 78717 named Face to Face Spa, LLC. Section B lists historical data for Our Affiliate store located at 3801 N Capitol of Texas Hwy, Suite F-110, Austin, TX 78746. Our Affiliate locations did not pay a franchise fee or grand opening fee and are not required to pay royalties or marketing fees. Therefore, these figures are not included in the historical data below. We will provide you written substantiation of the data used in preparing the financial performance representations set forth in this Item 19 upon reasonable request.

The earnings claim figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Face to Face Spa. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

SECTION A - 14900 AVERY RANCH BLVD, STE A-200, AUSTIN, TX 78717

Section A of this Item 19 includes the Total Income earned by our Affiliate at their 14900 Avery Ranch Blvd, Ste A-200, Austin, TX 78717 location during the period of (i) its inception in March 2011 to December 2011, (ii) January 2012 to December 2012, and (iii) January 2013 to December 2013. Due to the large range of variance between locations, the below numbers do not include each location's ordinary expenses such as payroll, rent, banking fees, etc. We have found that these fees vary nationwide as well as with the owners' business acumen.

March 2011 to December 2011

Gross Sales	\$ Amount
Total Gross Sales	\$150,163
Total Gratuities paid to staff	\$13,147
Total Net Income	\$137,016

January 2012 to December 2012	
Gross Sales	\$ Amount
Total Gross Sales	\$832,068
Total Gratuities paid to staff	\$89,469
Total Net Income	\$742,599

January 2013 to December 2013	
Gross Sales	\$ Amount
Total Gross Sales	\$1,149,385
Total Gratuities paid to staff	\$102,992
Total Net Income	\$1,046,393

SECTION B - 3801 N CAPITOL OF TEXAS HWY , SUITE F-110, AUSTIN, TX 78746

Section B of this Item 19 includes the Total Income earned by our Affiliate at their 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746 location during the period of its inception in August 2013 to December 2013 Due to the large range of variance between locations, the below numbers do not include each locations ordinary expenses such as payroll, rent, banking fees, etc We have found that these fees vary nationwide as well as with the owners' business acumen

August 2013 to December 2013	
Gross Sales	\$ Amount
Total Gross Sales	\$88,125
Total Gratuities paid to staff	\$7,227
Total Net Income	\$80,898

Overall Notes

Your individual results may differ from those stated in this Financial Performance Representation

Written substantiation for the financial performance representation will be made available to You upon reasonable request

Gross Sales and Net Income will vary In particular, the Gross Sales and Net Income of your Face to Face Spa will be directly affected by many factors, such as (a) geographic location, (b) competition from other similar businesses in your area, (c) sales and marketing effectiveness based on market saturation, (d) prices on materials, supplies, and inventory, (e) labor costs, (f) ability to generate customers, (g) customer loyalty, and (h) employment pricing and tax conditions in the market Any such factor may differ materially from those that may exist for a franchise offered to You or from other franchisee results Please note specifically that there are no payroll or ongoing operating expenses reflected in the numbers shown above as those ongoing expenses are directly in Your control

and can vary widely between franchisees. The only expenses shown are the ones required by Us, as disclosed in this Franchise Disclosure Document.

Importantly, You should not consider the Gross Sales or Net Income presented above to be the actual or potential Gross Sales or Net Income that You will realize. We do not represent that You can or will attain those or similar revenues or margins, or any particular level of Gross Sales or Net Income. We do not represent that You will generate income, which exceeds the initial payment for, or investment in, your franchise.

Based on all of the matters mentioned in this Item, we recommend that You make your own independent investigation to determine whether or not the franchise may be profitable to You and worth the risk. You should use this information only as a reference in conducting your analysis and in preparing your own projected income statements and cash flow statements. We suggest strongly that You consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that You may incur in owning and operating a franchised business.

CAUTION

Some locations have earned this amount. Your individual results may differ. There is no assurance that your Franchised Business will do as well as the locations referenced in the above tables. Actual results may vary from business to business, and we cannot reasonably estimate the result of a particular business operation.

The success of your franchise will depend largely upon your individual abilities, your use of these abilities, and your market. The financial results of your franchise operations are likely to differ, perhaps materially differ, from the results summarized in this Item 19.

Upon your reasonable request, We will make available to You the substantiating data used in preparing the projected financial results presented above.

Other than the above financial performance representations, We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jenny Abraham, c/o Face To Face Franchising, LLC at 3801 N. Capitol of Texas Hwy., Suite F-110, Austin, TX 78746, or by email at Franchising@FaceToFaceSpa.com, or telephone her at (800) 797-1345, the Federal Trade Commission, and the appropriate state regulatory agency.

ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION

Exhibit B provides a complete list of our Franchisees. If You buy this franchise, your contact information may be disclosed to other buyers during and when You leave the franchise system. The following tables reflect the status of our franchisees.

Table No. 1
Systemwide Outlet Summary
For years 2011 to 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Company-Owned	2011	0	1	+1
	2012	1	2	+1
	2013	2	2	0
Total Outlets	2011	0	1	+1
	2012	1	2	+1
	2013	2	2	0

*Note The Total number of Franchisees including any Franchisees signed this fiscal year up to April 12, 2012 are listed in Exhibit B attached

Table No 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2012-2014**

State	Year	Number of Transfers
TX	2012	0
	2013	0
	2014	0
Total Transfers	2012	0
	2013	0
	2014	0

Table No 3

**Status of Franchised Outlets
For years 2012-2014**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Totals	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0

*Note The Total number of Franchisees including any Franchisee's signed through April 12, 2012 is listed in Exhibit B attached

Table No 4

**Status of Company-Owned Outlets
For years 2012-2014**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
TX	2012	1	1	0	0	0	1
	2013	2	0	0	0	0	2
	2014	2	0	0	0	0	2
Totals	2012	1	1	0	0	0	1
	2013	2	0	0	0	0	2
	2014	2	0	0	0	0	2

Note The two company-owned units shown in this Table are actually our Affiliate in Austin, TX, who utilizes the same Face to Face methods and procedures There is no true company owned units in the Face to Face System

Table No 5

Projected Openings as of 2015

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
TX	0	4	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Total	0	4	0

List of Current Franchisees

A list of all Face to Face's Franchisees and the addresses of their Franchise Business is attached to this Disclosure Document as Exhibit B

List of Terminated or Cancelled Franchisees

We have had no Franchisee who was terminated, cancelled or not renewed or otherwise ceased to do business either voluntarily or involuntarily within the last fiscal year, nor who has not communicated with us within 10 weeks of this Disclosure Document Issuance date

Additional Franchisee Information

If You buy this franchise your contact information may be disclosed to other buyers during and when You leave the franchise system, as required by law

During our last three fiscal years, we have not signed any confidentiality clauses with current or Former Franchisees which would restrict their ability to speak openly with You about their experience with us We are not aware of any trade-specific Franchisee organizations associated with the System and no Independent Franchisee organizations have asked to be included in this Disclosure Document

ITEM 21 - FINANCIAL STATEMENTS

Because we have not been in business for 3 years or more, we cannot include all financial statements required in Instructions 1(i) and (ii) of this Item 21 However, we comply with this Item with (i) our audited financials as of December 31, 2014 which is attached as Exhibit A Our fiscal year ends December 31st

ITEM 22 - CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following

Confidentiality Agreement	Exhibit C
Franchise Agreement	Exhibit D
Area Development Agreement	Exhibit E

ITEM 23 - RECEIPT

In accordance with the Trade Regulation Rule of the Federal Trade Commission titled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures", a Receipt by the Prospective Franchisee is attached as Exhibit J, located on the last two pages of this Disclosure Document

You should sign and date both copies of the receipt as of the date You received this Disclosure Document

Keep one copy for your records and return the other signed copy to us

[The rest of this page was intentionally left blank]

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT
FACE TO FACE FRANCHISING, LLC
LIST OF FRANCHISE LOCATIONS

If You buy this franchise, your contact information may be disclosed to other buyers during and when You leave the franchise system

(a) Operational Developers and Franchisees

The following are the names, addresses and telephone numbers of all Face to Face Franchisees and Area Developers as of August 3, 2015 who have paid, executed their documents and are operational

N/A

(b) Area Development Agreements or Franchise Agreements sent but not yet Executed or Operational

The following are the names, addresses and telephone numbers of all Face to Face Area Developers and Franchisees as of August 3, 2015, who are not yet operational or have not signed an Agreement, but who have requested Agreements be sent to them for execution

N/A

(c) Former Developers and Franchisees The following are the names, last known home addresses and home telephone numbers of all Master Franchisees and Franchisees that have been terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Master Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the effective date of this Disclosure Document

N/A

EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT
FACE TO FACE FRANCHISING, LLC
CONFIDENTIALITY AGREEMENT



By and Between

FACE TO FACE FRANCHISING, LLC, FRANCHISOR

AND

_____, **PROSPECT**

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement, made this _____ day of _____, 20____, by and between Face To Face Franchising, LLC, a Texas Limited Liability Company formed and operating under the laws of the State of Texas, having its principal place of business at 3801 N Capitol of Texas Hwy, Suite F-110, Austin, TX 78746 ("Franchisor") and all jointly and severally, of _____ hereinafter ("Prospect")

WHEREAS, Franchisor has developed and owns a unique system relating to the establishment and operation of upscale medi-spas focusing on medical grade facials and chemical exfoliation peels to promote skin care and health

WHEREAS, Prospect and Franchisor have entered into discussions which may involve the disclosure to Prospect of the proprietary information of Franchisor

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other, hereby agree as follows

- 1 **Proprietary Information/Confidential Treatment** During the course of business dealings between the parties, certain of the confidential information of Franchisor will be disclosed to Prospect Prospect or any of its employees, shall not for any reason or purpose whatsoever, use for its personal benefit, or disclose, communicate or divulge to, or use for the benefit, direct or indirect, of any person, firm, association or corporation other than Prospect, any knowledge of confidential information which is proprietary to Franchisor ("Proprietary Information") All Proprietary Information shall be the sole property of Franchisor and its assigns, and Prospect hereby assigns to Franchisor any rights it has or may acquire in such Proprietary Information Prospect will have access to and become acquainted with various trade secrets and trade sources, consisting of patterns, operational systems and compilations of information, records, and specifications which are owned by Franchisor and which are regularly used in the operation of a franchised business Prospect shall not disclose any of the aforesaid trade secrets, directly or indirectly, or use them in any way, at any time, except as required in the course of business dealings between Franchisor and Prospect
- 2 **Injunctive Relief** Any breach of provisions of this Agreement shall cause irreparable harm to Franchisor, and therefore, in the event of a breach or threatened breach of the provisions of this Confidentiality Agreement, Franchisor shall be entitled to an injunction restraining Prospect from disclosing or appropriating in whole or in part, the Proprietary Information, or from rendering any services to any person, firm, corporation, association or other entity to whom such confidential information, in whole or in part, has been disclosed or is threatened to be disclosed Nothing herein shall be construed as prohibiting Franchisor from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages or liquidated damages in the amount of Twenty-thousand dollars (\$20,000) for each such breach, whichever is deemed higher by a court of law

IN WITNESS WHEREOF, the parties hereunder have duly executed, sealed and delivered this Agreement on the day and year set forth above

FACE TO FACE FRANCHISING, LLC

PROSPECT(S)

By Jenny Abraham
Its Managing Member

By _____
Name, Its _____
By _____
Name, Its _____

**EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT
FACE TO FACE FRANCHISING, LLC
FRANCHISE AGREEMENT**

_____, 20____



By and Between

FACE TO FACE FRANCHISING, LLC, FRANCHISOR

and

_____, **FRANCHISEE**

FRANCHISE AGREEMENT

TABLE OF CONTENTS

ARTICLE 1 - DEFINITIONS	8
ARTICLE 2 - GRANT OF FRANCHISE	12
Section 2 1 Grant of Franchise	12
Section 2 2 Location of Your Face to Face Spa	12
Section 2 3 Approved Location Not Determined	12
Section 2 4 Sub-franchising/ Agents	12
Section 2 5 The Territory	12
Section 2 6 Franchisor's Reservation of Rights	12
Section 2 7 Diligence and Best Efforts	13
ARTICLE 3 - FEES	14
Section 3 1 Franchise Fee	14
Section 3 2 Weekly Royalty Fee	14
Section 3 3 Marketing Fund Contribution	14
Section 3 4 Taxes	14
Section 3 5 Electronic Transfer	15
Section 3 6 Intranet and Software Fee	15
Section 3 7 Late Fees	16
Section 3 8 Application of Payments	16
Section 3 9 No Withholding	16
ARTICLE 4 - TERM OF AGREEMENT AND RENEWAL	17
Section 4 1 Initial Term	17
Section 4 2 Renewal	17
ARTICLE 5 - APPROVED LOCATION	18
Section 5 1 Selection of Site	18
Section 5 2 Lease of Approved Location	18
Section 5 3 Development of Approved Location	19
Section 5 4 Failure to Develop Approved Location	20
Section 5 5 Opening	20
Section 5 6 Use of Approved Location	20
Section 5 7 Relocation	20
ARTICLE 6 - PROPRIETARY MARKS	21
Section 6 1 Ownership	21
Section 6 2 Limitations on Use	21
Section 6 3 Notification of Infringements and Claims	22
Section 6 4 Indemnification for Use of Marks	22
Section 6 5 Discontinuance of Use	22
Section 6 6 Right to Inspect	22
Section 6 7 Franchisor's Sole Right to Domain Name	23

ARTICLE 7 - TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION	23
Section 7 1 Confidentiality of Trade Secrets and Other Confidential Information	23
Section 7 2 Additional Developments	23
Section 7.3 Exclusive Relationship	24
Section 7 4 Non-Disclosure and Non-Competition Agreements with Certain Individuals	24
Section 7 5 Reasonableness of Restrictions	24
ARTICLE 8 - TRAINING AND ASSISTANCE	25
Section 8 1 Initial Training	25
Section 8 2 Grand Opening Marketing	25
Section 8 3 Failure to Complete Initial Training Program	25
Section 8 4 New Designated Manager	26
Section 8 5 Ongoing Training and Special Assistance	26
ARTICLE 9 - MANUAL	26
Section 9 1 Loan by Franchisor	26
Section 9 2 Revisions	26
Section 9.3 Confidentiality	27
ARTICLE 10 - FRANCHISE SYSTEM	27
Section 10 1 Uniformity	27
Section 10 2 Modification of the System	27
Section 10.3 Variance	28
ARTICLE 11 - ADVERTISING AND PROMOTIONAL ACTIVITIES	28
Section 11 1 Local Advertising	28
Section 11 2 Marketing Fund	28
Section 11 3 Cooperative Advertising	29
Section 11 4 Internet Advertising	30
Section 11 5 Directory Advertising	31
ARTICLE 12 - ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS	31
Section 12 1 Records	31
Section 12 2 Financial Management	31
Section 12 3 Gross Revenue Reports	31
Section 12 4 Financial Statements	32
Section 12 5 Other Reports	32
Section 12 6 Computer/Software/Phone System	32
Section 12 7 Right to Inspect	32
Section 12 8 Release of Records	33
ARTICLE 13 - STANDARDS OF OPERATION	33
Section 13 1 Authorized Products, Services and Suppliers	33
Section 13 2 Appearances and Condition of the Franchised Business, Refurbishment	35
Section 13 3 Ownership and Management	35
Section 13 4 Inspections	35

Section 13 5	Licenses and Permits	36
Section 13 6	Notification of Proceedings	36
Section 13 7	Compliance with Good Business Practices	36
Section 13 8	Uniforms	37
Section 13 9	Vending Machines	37
Section 13 10	Credit Cards	37
Section 13 11	Best Efforts	37
Section 13 12	Period of Operation	38
Section 13 13	Former Franchisees	38
Section 13 14	Franchisees Employees	38
Section 13 15	Customer Lists	39
ARTICLE 14 -	FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE	39
Section 14 1	General Advice and Guidance	39
Section 14 2	Periodic Visits	39
Section 14 3	System Improvements	40
Section 14 4	Marketing and Promotional Materials	40
ARTICLE 15 -	INSURANCE	40
Section 15 1	Types and Amounts of Coverage	40
Section 15 2	Additional Insured, Certificates of Coverage	40
Section 15 3	Carrier Standards	41
Section 15 4	Evidence of Coverage	41
Section 15 5	Failure to Maintain Coverage	41
ARTICLE 16 -	DEFAULT AND TERMINATION	41
Section 16 1	Termination by Franchisee	41
Section 16 2	Termination by Franchisor	41
Section 16.3	Reinstatement and Extension	44
Section 16 4	Right of Franchisor to Discontinue Services to Franchisee	44
Section 16 5	Cross-Defaults, Non-Exclusive Remedies, etc	44
ARTICLE 17 -	RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION	45
Section 17 1	Actions to be Taken	45
Section 17 2	Post-Termination Covenant Not to Compete	46
Section 17 3	Unfair Competition	47
Section 17 4	Franchisor's Option to Purchase Certain Business Assets	47
Section 17 5	Survival of Certain Provisions	49
Section 17 6	Existence of Claim	49
Section 17 7	Injunction	49
Section 17 8	Franchisor is Attorney In Fact	49
Section 17 9	Liquidated Damages	49
ARTICLE 18 -	TRANSFERABILITY OF INTEREST	50
Section 18 1	Transfer by Franchisor	50
Section 18 2	Transfer by Franchisee to a Third Party	50

Section 18 3	Transfer to a Controlled Entity	51
Section 18 4	Franchisor's Disclosure to Transferee	52
Section 18 5	For-Sale Advertising	52
Section 18 6	Transfer by Death or Incapacity	52
Section 18 7	Transfer upon Divorce or Partnership Dissolution	53
ARTICLE 19 - RIGHT OF FIRST REFUSAL		53
Section 19 1	Submission of Offer	53
Section 19 2	Franchisor's Right to Purchase	54
Section 19 3	Non-Exercise of Right of First Refusal	54
ARTICLE 20 - BENEFICIAL OWNERS OF FRANCHISEE		54
ARTICLE 21 - RELATIONSHIP AND INDEMNIFICATION		55
Section 21 1	Relationship	55
Section 21 2	Standard of Care	55
Section 21 3	Indemnification	55
Section 21 4	Right to Retain Counsel	57
ARTICLE 22 - GENERAL CONDITIONS AND PROVISIONS		57
Section 22 1	No Waiver	57
Section 22 2	Injunctive Relief and Specific Performance	57
Section 22 3	Notices	57
Section 22 4	Guaranty and Assumption of Obligations	58
Section 22 5	Approvals	58
Section 22 6	Entire Agreement -	58
Section 22 7	Severability and Modification	58
Section 22 8	Construction	59
Section 22 9	Force Majeure	59
Section 22 10	Timing	59
Section 22 11	Withholding Payments	59
Section 22 12	Further Assurances	59
Section 22 13	Third-Party Beneficiaries	60
Section 22 14	Multiple Originals	60
Section 22 15	Survival of Terms	60
ARTICLE 23 - DISPUTE RESOLUTION		60
Section 23 1	Choice of Law	60
Section 23 2	Consent to Jurisdiction	60
Section 23 3	Rights and Remedies	61
Section 23 4	Limitations of Claims	61
Section 23 5	Limitation of Damages	61
Section 23 6	Waiver of Jury Trial	61
Section 23 7	Mediation	61
Section 23 8	Withholding Consent	62

ARTICLE 24 - ACKNOWLEDGMENTS	62
Section 24 1 Receipt of this Agreement and the Franchise Disclosure Document	62
Section 24 2 Consultation by Franchisee	63
Section 24.3 True and Accurate Information	63
Section 24 4 Risk	63
Section 24 5 No Guarantee of Success	64
Section 24 6 No Violation of Other Agreements	64
Section 24 7 Independent Obligations	64
Section 24 8 Gender	64
Section 24 9 Duty of Good Faith and Fair Dealing	64
Section 24 10 Franchisor's Business Judgment	64
Exhibits	Exh #
General Release	1
Non-Disclosure and Non-Competition Agreement	2
Guaranty and Assumption of Obligations	3
Holders of Legal or Beneficial Interest	4
Multi-State Addendums	5
Trademarks	6
Franchise Disclosure Questionnaire	7
ACH Withdrawal Form	8
Telephone Number Assignment Agreement and Power of Attorney	9
Credit and Security Agreement	10
Lease Addendum	11

FRANCHISE AGREEMENT

This Franchise Agreement made this _____ day of _____, 20____, is by and between Face To Face Franchising, LLC, a Texas Limited Liability Company, having its principal place of business at 3801 N Capitol of Texas Hwy, Suite F-110, Austin, TX 78746, ("Franchisor"), (hereinafter also known as "we" "us" "Face to Face") and _____, a _____ Corporation or Limited Liability Company and whose principal address is _____ ("Franchisee")

WHEREAS, Franchisor and its Affiliate have developed, and are in the process of further developing, a System identified by the trademark "Face To Face Spa" and relating to the establishment and operation of franchised businesses operating in the facial skincare and spa services industry as well as clinics that offer both facial skincare and spa services in addition to botox and filler services under the name "Face to Face Medi Spa" (both collectively referred to herein as "Face to Face Spas", and

WHEREAS, Franchisor has developed a business plan and method of establishing and conducting the Business and operating Businesses emphasizing prompt and courteous service in a friendly and helpful atmosphere which is intended to be attractive to patrons and utilizing certain standards, specifications, methods, procedures, techniques, management techniques, proprietary marks, commercial symbols, trade dress and other proprietary or confidential information, as they may be improved, and further developed from time to time hereafter by Franchisor (the "System"), and

WHEREAS, the distinguishing characteristics of the System include, without limitation, the trade names, trademarks, and service marks and associated logos and symbols set forth on Exhibit 6 attached hereto and made a part hereof by reference, and such other marks as Franchisor may develop from time to time hereafter and designate for use in connection with the System (the "Marks"), the trade dress of the Business, signage, decorations, equipment, furnishings and materials, the Confidential Operations Manual, uniform operating methods, procedures and techniques, methods and techniques for inventory and cost controls, record keeping, reporting, personnel management, and purchasing (all of which may be improved and further developed by Franchisor from time to time), all such Marks and other distinguishing characteristics being owned by Franchisor, and

WHEREAS, Franchisor grants to qualified persons and business entities who meet Franchisor's minimum standards for character, skill, aptitude, attitude, business ability and financial capacity, the right to own and operate a Face to Face Spa offering the products and services Franchisor authorizes and using Franchisor's System, business formats, methods, procedures, signs, designs, layouts, standards, specifications, products and Marks (the "System"), and

WHEREAS, Franchisee desires to operate a Face to Face Spa, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein, and

WHEREAS, Franchisee acknowledges that it is essential to the maintenance of the high standards of the System, and to the preservation of the integrity of the System and the Marks and goodwill of Franchisor, that each franchisee in the System maintain and adhere to certain uniform standards, procedures and policies hereinafter described, and operate the Franchise Business in strict conformity with Franchisor's standards and specifications, and

WHEREAS, Franchisor has, and continues to develop, use, protect, and control the Marks for the benefit and exclusive use of itself and its franchisees in order to identify for the public the source of the products and/or services marketed under the System and to represent the System's high standards of quality, and

WHEREAS, the establishment and maintenance of a close working relationship with Franchisee and Franchisee's adherence to the tenants of Franchisor's System constitute the essence of this Franchise, and

WHEREAS, Franchisee desires, upon the terms and conditions set forth herein, to enjoy the benefits of operating under the System and of using the Marks and to be licensed to operate a Business in strict accordance with the standards and specifications of the System (the "Franchise Business"), and

WHEREAS, Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of its own choosing, and

WHEREAS, Franchisor is willing to grant Franchisee a license under the System and the Marks to operate a Face to Face Spa, subject to Franchisee's strict compliance with the terms and conditions of this Agreement and in reliance upon Franchisee's representations made in this Agreement and in Franchisee's application to become a franchisee under the System

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows

ARTICLE 1 - DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings

"Affiliate" means any business entity that controls, is controlled by, is contracted with or is under common control with Franchisor;

"Agreement" means this agreement entitled "Face To Face Franchising, LLC Franchise Agreement" and all instruments supplemental hereto or in amendment, exhibit or confirmation hereof,

"Approved Location" means the site for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor,

"Approved Supplier(s)" means only those companies, and vendors who provide the services, product items, supplies, signs, equipment and other items and services Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of Approved Suppliers Further description and requirements can be found in the terms contained in Section 13.1,

"Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) esthetician, facials, medi spa, chemical peels, botox or filler services the same as or similar to those provided by Face to Face™ Spas or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees or any business which grants franchises or licenses to others to operate such a business, other than a Face to Face Spa operated under a franchise agreement with Franchisor, provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a franchise agreement with Franchisor, (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest, (c) or any business operated by Franchisee or its Affiliate(s) that has been disclosed, in writing, to Franchisor prior to the Effective Date of this Agreement,

"Confidential Information" means medical, technical and non-technical information used in or related to Face to Face Spas and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information established by documentary evidence that (a) is now or subsequently becomes generally available to the public through no fault of Franchisee, (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement, (c) is independently developed without the use of any Confidential Information, or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information,

"Cooperative Advertising" means the combined advertising program of two (2) or more franchisees established within a common market for Face to Face Spas within a particular region,

"Covered Person" means (i) the individual executing this Agreement as Franchisee, (ii) each officer, director, shareholder, member manager, trustee, or general partner of Franchisee and each Franchisee Affiliate if Franchisee is a Business entity, and (iii) the spouse, adult children, parents or siblings of the individuals included in (i) and (ii). Covered Person shall mean an individual who falls within the identified categories where on the Effective Date or later during the Term of this Agreement, and all successive Renewal Agreements,

"Customer(s)" means Franchisee's patients within the Franchised Business, as applicable,

"Designated Manager" means the person designated in writing by Franchisee and approved in writing by Franchisor who has primary responsibility for managing the day-to-day affairs of the Franchised Business, and if Franchisee is an individual and not a business entity, the Designated Manager shall be the Franchisee,

"Effective Date" means the date set forth in the introductory paragraph of this Agreement which commences this Agreement's effectiveness and term,

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor,

"Former Franchisee" means any Face to Face Franchisee's that have been terminated or whose Franchise Agreements have expired naturally under the terms of those Franchise Agreements

"Franchise" means the right granted to Franchisee by Franchisor to use the System and the Marks, while not in Default,

"Franchise Fee" means upon execution of this Agreement, unless otherwise stated in the State Addendum attached, Franchisee shall pay the balance of nonrecurring and nonrefundable fee of Thirty-nine Thousand Dollars (\$39,000), for the Training and use of the Confidential Information, payable in United States currency to Franchisor at Franchisor's principal office. Additional terms are contained in Section 3.1,

"Franchised Business" means the Face to Face Spa to be established and operated by Franchisee pursuant to this Agreement,

"Franchisee" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement,

“Franchisor” means Face To Face Franchising, LLC,

“Franchisor Indemnitees” means Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and/or any corporate parent, any corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and their respective directors, officers, employees, agents, shareholders, designees, and representatives of each, members, partners, owners, employees, trainers, agents, successors and assigns as further discussed in Section 21 3,

“Opening Advertising” has the meaning given to such term in Section 11 1,

“Gross Revenue” means the aggregate of all income and monthly memberships Franchisee receives from Customers for the purchase or provision of any goods or services, or any other person or business entity for the Franchised Business in connection with the Franchised Business (whether or not in accordance with the terms of the Franchise Agreement) and whether for check, cash, credit or otherwise, from the sale of products and services (including service charges in lieu of gratuity) regardless of the dollar amount Franchisee sells each product for, including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all insurance payments, check, cash, credit or debit card refunds made in good faith provided, prior to granting the refunds, the revenue related to the refunds was included in Gross Revenue, (b) any sales and equivalent taxes that Franchisee collects for or on behalf of and pay to any governmental taxing authority, and (c) any rebate Franchisee receives from a manufacturer or supplier

“Gross Revenue Reports” has the meaning given to such term in Section 12 2,

“Incapacity” means the inability of Franchisee to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation,

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including, but not limited to, sites and domain names on the World Wide Web (1) and (2),

“Local Advertising” means the services required to fulfill franchisee’s Local Marketing Support through Franchisee’s own effort Marketing methods utilized may include but not be limited to those contained within the Manual, and approved advertising materials such as newspaper ads, direct mail, coupon direct mail coops, print media and business to business marketing efforts within Franchisees Territory Requirements for Local Advertising are further discussed in Section 11 1,

“Manual” means the Face to Face Operations Manual(s), whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, Intranet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor,

“Marketing Fund” means the collective fund supplied by the Marketing Fund Contributions by all Franchisees which allows the Franchisor to establish and administer National Regional or Local Territory Marketing, pursuant to the terms in Section 11 3,

“Marketing Fund Contribution” means paying Franchisor One percent (1%) of Gross Revenue, billed and collected by ACH from the Electronic Depository Transfer Account, for the previous week, which will be credited to the franchisee collective Marketing Fund, pursuant to the terms in Section 3 3,

“Marks” means Face to Face™ trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with Face to Face Spas, whether or not registered or recognized by the U S Patent and Trademark Office, or any other Agency no matter where located Registered Marks are shown on Exhibit 6 attached hereto,

“Territory” has the meaning given to such term in Section 2 5,

“Royalty Fee” means paying Franchisor Five Percent (5%) of Gross Revenue by ACH from the Electronic Depository Transfer Account, for the previous week ending the last full day of the preceding week, pursuant to the terms in Section 3 2 ,

“Social Media” means online content created by individuals and/or entities using highly accessible and scalable publishing technologies through their desktop computer, laptop computer, smart phones, mobile phone or by other means available in the future Social Media allows individuals and/or entities to connect in the online world to form relationships for personal and business use The definition of Social Media includes user-generated content and consumer-generated media Social Media occurs in many different forms, including, but not limited to, Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos Technologies for Social Media include, but are not limited to blogs, picture-sharing, vlogs, wall-postings, e-mail, instant messaging, music-sharing, crowdsourcing, and geocaching, voice over IP, to name a few Some examples of Social Media sites and/or applications are Google Groups (reference, social networking), Wikipedia (reference), MySpace (social networking), Pinterest (social file sharing), Facebook (social networking), MouthShut.com and yelp.com (product reviews), Youmeo (social network aggregation), YouTube (social networking and video sharing), Avatars United (social networking), Second Life (virtual reality), FourSquare (geocaching), Flickr (photo sharing), Twitter (social networking and microblogging), LinkedIn (business social media), Open Diary (blogging) and other microblogs such as Twitter and Jaiku, among others This list is not inclusive and shall mean all Social Media available now and created in the future,

“System” means the trade dress, uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Face to Face Spas,

“Termination Date” also known as Date of Termination, means the date when the Franchisee no longer has time to cure any Defaults under this Agreement, pursuant to Article 16,

“Trade Secrets” means information in any form (including, but not limited to, technical or non-technical data, know-how, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Face to Face™ Businesses that is not commonly known by or available to the public and that information (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use, and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy,

“Transferee” means the individual or entity third party buyer, who purchases this Franchise Agreement if the Franchisee chooses to sell, and the Franchisor approves such Transferee

ARTICLE 2 - GRANT OF FRANCHISE

Section 2 1 Grant of Franchise

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate one (1) Face to Face Spa using the System and Marks within the approved Territory

Section 2 2 Location of Your Face to Face Spa

Subject to all of the terms and conditions herein, Franchisor grants to Franchisee the right and license to operate a Face to Face Spa using the System and the Marks solely within the Territory described in Section 2 5 (the "Location"), which Location must be pre-approved by Franchisor according to its then-current criteria

Section 2 3 Approved Location Not Determined

If the Approved Location of the Franchised Business is not determined as of the Effective Date, then Franchisee shall have thirty (30) days to select a territory for Franchisor's final approval. If Franchisor does not deny Franchisee's proposed location within fifteen (15) days of receipt by Franchisor, the location shall be deemed approved. If Franchisee receives a denial from Franchisor, Franchisee must submit a new location until approved. When the Approved Location is determined, its description shall be inserted into Section 2 5. Subject to other provisions of the Agreement, the failure to insert such description shall not automatically affect the enforceability of this Agreement.

Section 2 4 Sub-franchising/ Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity to perform any part of Franchisee's rights or obligations licensed herein, or to grant any person or entity the right to act as Franchisee's agent to perform any part of Franchisee's rights or obligations herein.

Section 2 5 The Territory

So long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof, subject to Franchisor's reservation of rights set forth in Section 2 6, Franchisor shall grant to Franchisee a territory that will be delineated by a minimum number of households equal to 50,000 with an average annual income of \$100,000 or greater, and except as expressly provided for herein, neither Franchisor nor any Affiliate will establish, or grant rights to other persons to establish another Face to Face Spa the physical premises of which are located within the Territory.

Franchisee is being granted a protected territory which is described as

Franchisee is restricted from soliciting or advertising outside of Franchisee's Territory, including Franchisee may not advertise on the Internet without our prior written consent. Franchisor cannot change the geographic parameters of Franchisee's Territory without Franchisee's consent.

Section 2 6 Franchisor's Reservation of Rights

Except to the extent provided in Section 2 2, Franchisor retains all of its rights and control with respect to the System and Marks, including the right to

- i Establish, own or operate, or continue to own or operate, and license others to establish, own or operate, or continue to own or operate, Face to Face Spas outside of the Territory,
- ii Establish, own or operate, and license others to establish, own or operate, or continue to own or operate, other businesses under other systems using other trademarks at locations inside and outside of the Territory,
- iii Purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Territory. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s). If Franchisor purchases or acquires such businesses within the Protected Territory which are not franchised or licensed, Franchisor may, in its sole discretion
 - a Offer to sell any such businesses to Franchisee or to any third party at the business's fair market value to be operated as an Face to Face Spa, or
 - b Offer Franchisee the opportunity to operate such business(s) in partnership with Franchisor (or an Affiliate) under the business(s) existing trade name or a different trade name
- iv Be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Territory,
- v Provide the services and sell any products authorized for Face to Face Spas using the Marks or other trademarks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, chain department stores, or other non-physician-present locations, Internet sales and catalog sales, provided, however, that no such sales shall be made to any Competitive Business within the Territory, and
- vi Engage in any activities not expressly forbidden by this Agreement

Section 2.7 Diligence and Best Efforts

Franchisee shall diligently and fully exploit the rights in this Agreement by personally devoting best efforts, and in case more than one (1) individual has executed this Franchise Agreement as a Franchisee, the individual so designated in this Agreement shall personally devote best efforts towards the operation of the Franchise Business, or provide for full time management, trained and approved by the Franchisor, to manage the Business. The continued right of Franchisee's Protected Territory does depend on Franchisee's market penetration and customer ratings. Franchisee shall be required to realize a minimum of Two-hundred thousand dollars (\$200,000.00) in Gross Revenue each calendar year. Franchisee must also at all times maintain customer satisfaction ratings of at least an eighty percent (80%) as calculated based on the customer rating scale. If Franchisee fails to reach or surpass the minimum Gross Revenue requirements, it will be grounds for a Notice of Default with a thirty (30) day right to cure.

ARTICLE 3 - FEES

Section 3 1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay the balance of the Franchise Fee. Any deposit amount previously paid will be credited towards the Franchise Fee balance first. The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Articles 5, 8 and 16. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

Section 3 2 Weekly Royalty Fee

On Tuesday of each week for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, weekly Royalty Fees for the previous week ending the last full day of the preceding week due to Franchisor. Each weekly Royalty Fee shall follow a Gross Revenue Report, as required by Section 12 2, for the same period. Franchisor reserves the right to increase the Royalty Fee up to a maximum of an additional two percent (2%) per week during the Term of this Agreement. No increase shall be more than one percent (1%) per year. Franchisee shall have thirty (30) days advance notice prior to the increased Royalty Fee taking effect. Franchisor requires Franchisee to pay Royalty Fees through ACH transfer from Electronic Depository Transfer Account, as set forth in Section 3 5, thus such reports shall be submitted to Franchisor via facsimile transmission, e-mail or intranet system.

Section 3 3 Marketing Fund Contribution

Franchisee shall be required to contribute their Marketing Fund Contribution weekly to the Marketing Fund on Tuesday of each week for so long as this Agreement shall be in effect. Each weekly Marketing Fund Contribution shall follow a Gross Revenue Report, as required by Section 12 2. Franchisor may adjust the Marketing Fund Contribution amount from time to time, in Franchisor's sole discretion, but shall not exceed a one percent (1%) raise over the term of this Agreement. Franchisor shall notify Franchisee at least thirty (30) days before implementing or changing Marketing Fund Contribution requirements. The Marketing Fund shall be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 11 3.

Section 3 4 Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor herein and on services or goods furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, if any taxing authority imposes such taxes on Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

Franchisee will promptly pay, when due, all taxes required by any federal, state or local tax authority including unemployment taxes, withholding taxes, sales taxes, use taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and all other indebtedness incurred in the conduct of Franchisee's Face to Face Spa. Franchisee agrees it will not permit a tax sale or seizure by levy or execution or similar writ or warrant or attachment by a creditor to occur against the location or any asset used in Franchisee's Face to Face Spa.

Section 3 5 Electronic Transfer

Franchisor requires all Royalty Fees, Marketing Fund Contributions, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor, if applicable, to be paid, at the sole discretion of Franchisor, either (a) through an Electronic Depository Transfer Account or (b) by Franchisee electronically transferring to Franchisor any funds due Franchisor. Within thirty (30) days after successfully completing training, Franchisee shall open and maintain an Electronic Depository Transfer Account, also known as the ACH account, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor, by signing and returning the ACH Withdrawal Form attached as Exhibit 8, or as otherwise requested by Franchisor. Franchisee will give its financial institution instructions, in a form Franchisor provides or approves, and will obtain the financial institutions agreement to follow these instructions. Franchisee will provide Franchisor with copies of these instructions and agreements. The financial institution's agreement may not be withdrawn or modified without Franchisor's written approval which approval is within Franchisor's sole discretion. Franchisee will also sign all other forms for fund transfers as Franchisor or the financial institution may request.

Franchisor may require Franchisee's financial institution to send a monthly statement of all activity in the designated account to Franchisor at the same time it sends statements to the Franchisee. Franchisor may further require Franchisee's financial institution to send any other reports of activity in the Franchisee's Operating Account to Franchisor as Franchisor reasonably determines and requests. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account.

If Franchisee maintains any other bank accounts for its Face to Face Spa, Franchisee must identify these accounts to Franchisor and provide Franchisor copies of the monthly statements for all of these accounts and the details of all deposits and withdrawals to those accounts along with access to those accounts as set forth in the above paragraphs.

Section 3 6 Intranet and Software Fee

Franchisor requires Franchisee to purchase a Franchisor's required computer system, point of sale system as stated in the Manuals and updated from time to time, currently MindBody, and the QuickBooks accounting system. Franchisee will be responsible for any ongoing upgrades or updates to the computer and software packages after installation. QuickBooks will be provided with a multi-user license and Franchisor will have access to the accounting system through QuickBooks remote access to validate the revenue for royalties.

Franchisee shall (1) pay to Franchisor, on the first Tuesday of each calendar month, a software license and support fee of two hundred dollars (\$200) per location, (2) use proprietary software programs, as may be developed and prescribed by Franchisor, including system documentation manuals and other proprietary materials now and hereafter developed by Franchisor, in connection with the operation of the Business, (3) execute Franchisor's standard software license agreement, (4) input and maintain in Franchisee's computer such data and information as Franchisor prescribes in the Manuals, software programs, documentation or otherwise, and (5) purchase new, different or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices (except as provided in this Section), whenever Franchisor adopts such new, different or upgraded programs, Manuals and materials system-wide, provided that, with respect to any required purchase of new, different or upgraded software programs (i) Franchisee shall be required to purchase any such program only after it has been tested and implemented in Franchisor-owned Businesses, if any such Businesses then exist, and (ii) Franchisee shall be notified of the required purchase no less than ninety (90) days before Franchisee is required to implement the program.

Franchisor has the right to independently access all information collected or compiled by or in accordance with Franchisee's use of any of the software packages at any time without first notifying Franchisee. Franchisee must update or upgrade computer hardware and software as Franchisor deems necessary. Franchisor does require Franchisee to enter into software maintenance agreements with Franchisor's preferred and approved vendors, as described and outlined in the Manual, for current or future required software and a subscription to QuickBooks service with Intuit.

Franchisor requires that Franchisee have a business telephone, telephone line, facsimile and phone service. Franchisee shall pay third party providers for phone service and systems.

Section 3.7 Late Fees

Although each failure to pay monies when due is an event of Default, to encourage prompt payment and to cover the costs involved in processing late payments, if any payment under this Agreement or any other agreement between Franchisee and Franchisor for Franchisee's Face to Face Spa is overdue for any reason, Franchisee must pay to Franchisor, in addition to the overdue amount, pay a late fee of one hundred dollars (\$100).

Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Marketing Fund Contributions or any other amounts due Franchisor, including reasonable accounting and collection fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

In addition to the above late fees and declaration of an event of default, any payments made by Franchisee that are returned for insufficient funds shall incur the same additional charge as that of late fees.

Section 3.8 Application of Payments

No payment by Franchisee or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Any endorsement, statement or communication by Franchisee to the effect that Franchisee's payment of a lesser amount than due constitutes full payment shall be given no effect and Franchisor may accept the partial payment without prejudice to any rights or remedies it may have against Franchisee. Franchisor's acceptance of payments by Franchisee other than as set forth in this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement. Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Marketing Fund Contributions, purchases from Franchisor or its Affiliates, or any other amount owed to Franchisor in any proportion or priority. Franchisor's acceptance of payment from any entity other than the named Franchisee shall be deemed to be payment by the named Franchisee and shall not be deemed to be recognition or substitution of the paying entity for the named Franchisee.

Section 3.9 No Withholding

Franchisee agrees that under no circumstances will Franchisee withhold or suspend payment of, or reduce the amount of the Royalty Fee, Marketing Fund Contributions or purchases payable under this Agreement. Notwithstanding the foregoing, if you dispute in good faith the amount of an individual payment due under this Agreement, you may pay only the amount you believe is due, provided that you give us prompt notice of the reasons you dispute the amount of the payment and proceed to make good faith efforts to resolve the dispute.

ARTICLE 4 - TERM OF AGREEMENT AND RENEWAL

Section 4 1 Initial Term

This Agreement shall take effect as of the date of the execution hereof (the "Effective Date"), and the initial term ("Initial Term") hereof shall extend until the earlier of (1) the date that is precisely ten (10) years from the Effective Date, or (2) the date on which this Agreement terminates pursuant to Section 16 hereof, or (3) the expiration of Franchisee's lease of the Location

Section 4 2 Renewal

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new Franchise Agreement with Franchisor and paying the Renewal fee equal to Twenty-five Percent (25%) of the then-current Franchise Fee. Franchisee's right to a successor franchise is limited to two (2) successive terms of five (5) years ("Option Term"). To qualify for a successor franchise, each of the following conditions must have been fulfilled and remain true as of the last day of the term of this Agreement

- i Franchisee shall give Franchisor written notice of such election to renew not less than ninety (90) days prior to the end of the Initial Term,
- ii At least two hundred and seventy (270) days prior to the expiration of the Initial Term, Franchisor shall inspect the Location open to the public and give notice of all required maintenance, refurbishing, renovating, and remodeling and Franchisee shall agree to complete at its expense and to Franchisor's satisfaction, all maintenance, refurbishing, renovating, and remodeling required by Franchisor's notice, no later than thirty (30) days after expiration of the Initial Term,
- iii Franchisee shall not be in material default of any provision of this Agreement, or any amendment hereof, and shall at all times have substantially complied with all the terms and conditions of this Agreement during the term hereof or fully cured all Noticed Default(s),
- iv Franchisee shall have satisfied all monetary obligations owed to Franchisor and its subsidiaries and affiliates and shall have timely met such obligations throughout the Initial Term,
- v Not less than thirty (30) days prior to the expiration of the Initial Term, Franchisee shall execute a Franchise Agreement then being used by Franchisor, which agreement shall supersede this Agreement, and the terms of which may be materially different than the terms of the now-current Franchise Agreement,
- vi Franchisee shall comply with Franchisor's then-current criteria for operation of a Face to Face Spa,
- vii Both parties shall execute a general release of all claims against each other which accrued or may have accrued during the Term, whether or not such claim had yet been discovered by the parties, and
- viii Franchisee shall present evidence satisfactory to Franchisor that it has the right to remain in possession of the Location or another suitable location approved by Franchisor according to its then-current criteria for the duration of the Option Term

The Initial Term and any Option Term collectively may be referred to herein as the "Term" of this Agreement

ARTICLE 5 - APPROVED LOCATION

Section 5 1 Selection of Site

Franchisee shall promptly select a site for the Face to Face Spa and shall notify Franchisor of such selection, by submitting the Site Selection form with all supporting data and attachments as described in the Manual. If Franchisor approves such selection, the site shall be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee shall select and notify Franchisor of new sites until Franchisor approves a site for the Franchised Business. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area, proximity to major roads, available parking, amenable landlord to the required lease addendum, and overall suitability. Franchisor shall notify Franchisee of its approval or disapproval of a proposed site within thirty (30) days after Franchisor receives all requested information from Franchisee. If the Franchisor fails to respond in writing to the Selection of Site request within thirty (30) days, the site is deemed approved.

Franchisor does not represent that it, or any of its Affiliates, owners or employees, have special expertise in selecting sites. Neither Franchisor's assistance nor its approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location and assumes all risks with respect to the selection of the Approved Location.

Section 5 2 Lease of Approved Location

After the designation of the Approved Location (and if the site is to be leased or purchased), Franchisee shall execute a lease for, or a binding agreement to purchase, the Approved Location, the terms of which must have been previously approved by Franchisor in writing, and must contain the Lease Addendum, known as the Collateral Assignment Of Lease, attached as Exhibit 11. Franchisor shall not unreasonably withhold its approval.

Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement.

Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to keep the lease, if any, of the Approved Location in full force while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default of this Agreement and the time to cure the same shall expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard Collateral Assignment of Lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon Franchisee's and Landlords execution of the Lease Addendum attached as Exhibit 11 hereto.

Section 5.3 Development of Approved Location

Franchisor shall make available to Franchisee, at no charge to Franchisee, copies of standard plans, but not blueprints, for the development of a Face to Face Spa, including exterior and interior design and layout, fixtures, equipment, decor and signs, if a build-out is required at the Approved Location. Such standard plans and specifications as well as Franchisee's particular plans and specifications are subject to alteration as Franchisor deems necessary, or as Franchisee's local or state law requires. Any modification required to conform the pre-approved plans in the Manual, to fit Franchisee's chosen location, shall be at the sole expense of Franchisee. Franchisee shall cause the Approved Location to be developed, equipped and improved in accordance with such plans within one hundred twenty (120) days after Franchisor approves Franchisee's site. In connection with the development of the Approved Location, Franchisee shall

- i employ an approved competent licensed architect or engineer,
- ii obtain all zoning classifications and clearances which may be required by state and local laws, ordinances or regulations,
- iii obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the Franchised Business and certify in writing and provide evidence to Franchisor that all such permits and certifications have been obtained,
- iv employ a qualified, licensed general contractor to complete construction of all required improvements to the Approved Location,
- v purchase any supplies or inventory, necessary for the operation of the Franchised Business,
- vi purchase and install all equipment, signs, furniture and fixtures, including any computer equipment and POS systems, required for the operation of the Franchised Business from Approved Suppliers,
- vii install outdoor signage in compliance with Franchisor's then current specifications, which Franchisor may modify from time to time,
- viii provide a monthly written report to Franchisor, on Franchisor's prescribed form, describing the activities begun, completed and, if not completed, the percentage completed in connection with the development of the Approved Location, and
- ix establish a persistent broadband with a minimum download speed of 756 kbps and a minimum upload speed of 256 kbps with static Internet protocol address or a persistent high-speed Internet access with a minimum download speed of 756 kbps and a minimum upload speed of 256 kbps and obtain at least two (2) telephone numbers and one (1) facsimile number solely dedicated to the Franchised Business

If Franchisee is unable to commence the operation of the Franchised Business due to circumstances beyond Franchisee's reasonable control, then Franchisee may be entitled to such additional time as may be reasonably required and as to which Franchisor may consent, provided such request for extension is provided to Franchisor in writing at least one hundred (100) days after the Effective Date

Section 5 4 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location for the Franchised Business pursuant to Section 5 3, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5 4, Franchisee shall receive no refund of the Franchise Fee paid by Franchisee. Additionally, Franchisee shall execute a general release, the same as or similar to the General Release attached as Exhibit 1, provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law.

Section 5 5 Opening

Before opening the Franchised Business and commencing business, Franchisee must

- i fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 5 5,
- ii furnish Franchisor with copies of all insurance policies required by this Agreement and by the lease (if the Approved Location is leased), or such other evidence of insurance coverage and payment of premiums as Franchisor may request,
- iii complete pre-training and the initial training to the satisfaction of Franchisor as more fully described in Section 8 1,
- iv hire and train the personnel necessary or required for the operation of the Franchised Business,
- v obtain all necessary permits and licenses,
- vi purchase all Grand Opening supplies not purchased pursuant to Section 5 3, as stated in Section 8 2,
- vii if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement, and
- viii pay in full all amounts due to Franchisor, or execute the Promissory Note if applicable for any amounts due Franchisor.

Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within one hundred twenty (120) days after the Effective Date. Time is of the essence.

Section 5 6 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Face to Face Spa in full compliance with this Agreement and the Manual, without the prior written consent of Franchisor.

Section 5 7 Relocation

Franchisee shall not relocate the Face to Face Spa without the prior written consent of Franchisor. If the lease for the Approved Location expires or terminates through no fault of

Franchisee or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may allow Franchisee to relocate the Face to Face Spa within the Territory. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.5 with the timeframes set forth therein, modified in the sole discretion of the Franchisor, to reflect the new circumstances. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including, but not limited to, legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If no relocation site meets with Franchisor's approval, this Agreement shall terminate as provided in Section 16.4.

ARTICLE 6 - PROPRIETARY MARKS

Section 6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor including those set forth in the Manual. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

Section 6.2 Limitations on Use

Franchisee must use the Marks as the sole trade identification of the Franchised Business. Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give advanced written notice to Franchisor before filing applications for trademark and/or service mark registrations. Franchisee shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, e-mail signatures, business cards and other such identification, and shall display at the Approved Location, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated Face to Face Franchisee."

Franchisor has the sole right to maintain Social Media sites and/or applications including, but not limited to Twitter, Pinterest, Facebook, LinkedIn and other sites or applications that Franchisor may establish. Franchisor does not allow Franchisee to establish or utilize Social Media sites or applications for business purposes. Franchisor has the right, but not the obligation, to establish and own any and all Social Media sites on behalf of Franchisee and grant Franchisee authority to manage said Social Media sites. If Franchisee is granted authority to manage any Social Media sites, all material distributed through said sites must be approved by Franchisor prior to distribution. Franchisee and Franchisee's employees do not have the right to utilize the Marks on any Social Media sites and/or applications, even if made from a personal Social Media account. Further, any representations from Franchisee or Franchisee's employees regarding Franchisee's profits or earnings made on any Social

Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under this Franchise Agreement

Section 6 3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim, provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any settlement, litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

Section 6 4 Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided Franchisee has timely notified Franchisor of such proceeding, agreed to be a witness in any legal proceeding and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense and settlement of any proceeding arising directly from Franchisee's use of any Mark. This indemnification shall not include the expense to Franchisee for removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

Section 6 5 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within thirty (30) days after notice to Franchisee by Franchisor and subject to the limitations in Section 13.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified, additional or substitute Mark.

Section 6 6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed herein, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor and its designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Business, to interview and survey customers, and employees by any means it chooses.

Section 6 7 Franchisor's Sole Right to Domain Name

Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Mark or the words "Face to Face Spa" or any variation thereof without Franchisor's prior written approval

ARTICLE 7 - TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

Section 7 1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges Franchisor owns copyrights in the Manual, Franchisor's website (but not the domain names referred to above), and other copyrightable items that are part of the System Franchisee acknowledges that while Franchisor claims copyrights in these and similar items, Franchisor has not registered, and is not required to register these copyrights with the United States Registrar of Copyrights Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition Franchisee acknowledges the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee and any Covered Person (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity, (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement, (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form, and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information Franchisee shall enforce this Section as to its employees, agents, representatives and Covered Persons, and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them Franchisee shall only divulge Trade Secrets or other Confidential Information to individuals who must have access to it in order to operate the Franchised Business, and shall follow the requirements of Section 7 4 in doing so

Franchisor claims common law rights, copyright protection and trade dress for the Manual, guidelines, photographs, product names, signage, promotional materials, training materials, this Agreement and Area Development Agreements, and any other documents, materials and items for the general ambiance and decor used in the operation of the System and the Face to Face™ Businesses All information is proprietary and this Agreement requires Franchisee to keep such information confidential Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right or interest in Franchisor's common law rights, copyrights, trade dress, Trade Secrets, Confidential Information, the System, methods, procedures or any other intellectual property rights that are part of Franchisor's System or contest Franchisor's sole right to register, use or license others to use, except as limited by this Agreement, the common law rights, copyrights, trade dress, Trade Secrets, Confidential Information, System, methods, procedures or any other intellectual property rights that are a part of Franchisor's System

Section 7 2 Additional Developments

All ideas, concepts, know-how, techniques, advertising or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees,

or other Covered Persons, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees. Further, any advertising materials Franchise submits to Franchisor for review will become Franchisor's property, and Franchisor may use or distribute those materials in any manner Franchisor deems appropriate, without compensation to Franchisee. Franchisor has the right to incorporate such items into the System and/or disclose them to other franchisees and other persons or entities. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

Section 7.3 Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Face to Face franchisees if owners of Face to Face Spas, and Covered Persons were permitted to hold an interest in or perform services for any Competitive Businesses. Therefore, during the term of this Agreement, neither Franchisee nor Covered Persons, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, Limited Liability Company or other business entity, shall

- i divert or attempt to divert any Covered Person, customer, employee or other business associate of the Franchised Business, Franchisor, its Affiliate(s) or any other franchisee to any Competitive Business or solicit or otherwise attempt to induce or influence any Covered Person, customer, employee or other business associate of any of the foregoing to terminate or modify his, her or its business relationship with the Franchised Business, Franchisor, its Affiliate(s) or any other franchisee, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, or
- ii own an interest in, manage, operate, or perform services for any Competitive Business wherever located

Section 7.4 Non-Disclosure and Non-Competition Agreements with Certain Individuals

Upon execution of this Agreement or prior to each such person's affiliation with Franchisee, Franchisee and any Covered Person shall execute a Non-Disclosure and Non-Competition Agreement, in a form the same as or similar to Exhibit 2. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all non-disclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third party beneficiary with the right to enforce such agreements.

Section 7.5 Reasonableness of Restrictions

Franchisee acknowledges the restrictive covenants contained in this Section are essential elements of this Agreement and without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges each of the terms set forth herein, including the restrictive

covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, other franchisees, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable

ARTICLE 8 - TRAINING AND ASSISTANCE

Section 8 1 Initial Training

At a minimum, Franchisee and its Designated Manager(s) must comply with all Franchisor prescribed training requirements prior to opening the Franchised Business. Franchisee and the Designated Manager must attend and successfully complete, to Franchisor's satisfaction, the approximate three (3) week training which includes classroom training at Franchisor's location and on-the-job training. A total of three (3) trainees are permitted at no additional fee.

If Franchisee opens a Face to Face Medi Spa then Franchisee, its Designated Manager, estheticians and any licensed nurses or physicians, or state approved alternative, must successfully complete, to Franchisor's satisfaction, the approximate three (3) week training which includes classroom training at Franchisor's location and on-the-job training. If Franchisee opens a Face to Face Medi Spa, a total of five (5) trainees are permitted at no additional fee.

Franchisor shall conduct the initial training program either online, in person at its headquarters or at another designated location or locations. Franchisor shall not charge tuition or similar fees for initial training for up to two people as disclosed above, however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees if the Franchisee elects to not send them to the Initial Training program described above.

Section 8 2 Grand Opening Marketing

Franchisee shall spend between Ten Thousand Dollars (\$10,000) and Thirteen Thousand Dollars (\$13,000) during the first sixty (60) days of operation of the Franchised Business on local advertisement and promotion of the initial opening ("Opening Advertising"). Prior to their use, all materials to be used in Opening Advertising must be submitted to and approved by Franchisor through the process set forth in Section 11.1. Opening Advertising expenditures shall be in addition to any Local Advertising expenditures and Marketing Fund Contributions. Within thirty (30) days after the end of each applicable month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Opening Advertising for the preceding month. Franchisee shall not open the Franchised Business prior to receipt of Franchisor's approval of the grand opening marketing project plan. Additionally, Franchisee shall provide written and photographic proof of all opening marketing and Local Advertising performed.

Section 8.3 Failure to Complete Initial Training Program

If Franchisor determines that the Franchisee or its Designated Manager(s) are unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, Franchisor shall not be obligated to refund any amount paid by Franchisee. If Franchisee is a business entity and Franchisee or its Designated Manager(s) fail to complete the initial training program to Franchisor's satisfaction, Franchisee may be permitted to select substitute trainee(s) and such substitute person must complete the initial training to Franchisor's satisfaction at the then-current rates for additional training as set forth in the Manual.

Section 8 4 New Designated Manager

After beginning operations, should Franchisee name a new Designated Manager, Franchisee must notify Franchisor in writing of the identity of the new Designated Manager and Franchisor must approve in writing the new Designated Manager. The new Designated Manager must attend and complete the next available initial training program to Franchisor's satisfaction. Franchisee shall be responsible for all travel costs, room and board, and employees' salaries incurred in connection with the new Designated Manager's attendance at such training. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current rates for additional training, currently four hundred dollars (\$400) per day, for providing the new Designated Manager an initial training program as set forth in the Manual.

Section 8 5 Ongoing Training and Special Assistance

From time to time, Franchisor may provide, and if it does, has the right to require that the Franchisee and the Designated Manager, to attend ongoing training programs or seminars during the term of this Agreement. Franchisor shall not charge a fee for the mandatory ongoing training. Franchisor shall not require the Designated Manager, Franchisee's other managers and/or employees to attend more than one (1) session in any calendar year and collectively not more than four (4) days in any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with attendance at such training.

Franchisor will provide Franchisee with ongoing assistance as Franchisor deems necessary. However, if Franchisee needs Special Assistance, or if Franchisor must deal directly with the Franchisee's customers, Franchisee's general contractors, social media, directory advertising, or others directed by Franchisee, Franchisee will pay the Additional Assistance fee of Four Hundred Dollars (\$400.00) per day plus costs and then then current daily per diem rate as set forth in the Manuals.

Franchisor has the right, but not the obligation, to host an annual convention to provide additional training and/or provide new information to all Face to Face franchisees. If Franchisor elects to host an annual convention, Franchisee will be required to attend. Additionally, Franchisee must pay an annual convention entrance fee along with the first Royalty payment in January of each year of one thousand five hundred dollars (\$1,500) which will include admission for three people. If Franchisee executes this Franchise Agreement after the above entrance fee due date but before the annual convention, Franchisee must pay the entrance fee to Franchisor along with the franchise fee. Additional people may attend for a fee of five hundred dollars (\$500) per person.

ARTICLE 9 - MANUAL

Section 9 1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Manual or grant Franchisee access to an electronic copy of the Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned to Franchisor upon expiration or termination of this Agreement. Franchisee will be charged one thousand dollars (\$1,000) for each Replacement copy of the Manual(s).

Section 9 2 Revisions

Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor,

provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

Franchisee agrees that, because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Franchisee due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any condition that Franchisor deems important to the successful operation of that Franchisee's Face to Face Spa.

Section 9.3 Confidentiality

The Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee and all Covered Persons and employees both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual is available at the Approved Location in a current and up-to-date manner. Whether the Manual is in paper form or stored on computer-readable media, or both, Franchisee shall maintain the Manual in a secure manner at the Approved Location. If the Manual is in electronic form, Franchisee shall maintain the Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination or passwords needed for access to the Manual. All persons whom Franchisee permits to have access to the Manuals or any other Confidential Information must first be required by Franchisee to sign the Confidentiality Agreement provided by Franchisor. Franchisee shall not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner.

ARTICLE 10 - FRANCHISE SYSTEM

Section 10.1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to Franchisee by Franchisor.

Franchisor shall treat all franchisees equal. All services and support shall be on a first come first served basis. All franchisees shall enjoy a "favorite franchisee" provision with the Franchisor. Large or multi-unit owners shall not receive any special treatment by Franchisor over single unit Franchisees. However, Franchisor reserves the right to conduct a test market study with certain franchisees. All Franchise Agreements shall contain this same provision.

Section 10.2 Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, products, new computer hardware and software, POS, equipment, signs or fixtures. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor, provided, however, Franchisee shall not be required to make any expenditure that will require Franchisee to spend more than Franchisee's initial total investment during the initial term of the Franchise Agreement. If such additional investment is required to be made in the last year of the initial term, Franchisee may avoid making the investment by

providing notice of intent not to renew the Franchise Agreement unless the investment is in connection with a modification to the System required by law or court order Franchisee acknowledges any required expenditures for changes or upgrades to the System shall be in addition to expenditures for refurbishment, remodeling, repairs and maintenance as required in Article 5 of this Agreement

Section 10 3 Variance

Franchisor has the right to vary standards or specifications for any franchisee in Franchisor's sole discretion Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance

ARTICLE 11 - ADVERTISING AND PROMOTIONAL ACTIVITIES

Section 11 1 Local Advertising

Franchisee shall continuously promote the Franchised Business through Local Advertising and participate in any and all local marketing and promotional programs Franchisor establishes from time to time Franchisee is required to spend, at minimum, the greater of five percent (5%) of Gross Revenue or One Thousand Five Hundred Dollars (\$1,500) per month on approved local marketing and promotion in the Territory Franchisee must submit all proof of Local Advertising Expenditures to Franchisor All Local Advertising materials must be submitted to Franchisor for approval prior to use

Franchisee will maintain a suitable sign or graphics package at, or near the front of the business premises which says "Face to Face Spa" or "Face to Face Medi Spa", whichever Franchisee has agreed to purchase, unless waived by Franchisor The signage must conform in all respects to Franchisor's requirements except to the extent prohibited by local government restrictions or landlord regulations All materials and forms including business and paper products and other supplies used in the system will bear Franchisor's proprietary marks

Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, signage, ad copy, coupons, flyers, scripts and direct mail Franchisor shall use reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date of receipt by Franchisor If Franchisor does not approve submitted materials within twenty (20) days, such materials shall be deemed to have not received the required approval Franchisee shall not use any marketing or promotional material prior to written approval by Franchisor The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services Any advertising materials Franchisee submits to Franchisor for review will become Franchisor's property, and Franchisor may use or distribute these materials in any manner Franchisor deems appropriate, without compensation to Franchisee

Section 11 2 Marketing Fund

Franchisor has established a Marketing Fund, which Franchisee must contribute to as defined in Section 3 3 The Marketing Fund shall be maintained and administered by Franchisor or its designee as follows

- i The program(s) may be local, regional, or System-wide,
- ii Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Marketing Fund,

iii Franchisee's Marketing Fund Contributions may be used to meet the costs of, or to reimburse Franchisor for its costs of producing, administering (including the cost of personnel), maintaining, directing and conducting research and advertising. Advertising shall include without limitation the cost of preparing and conducting television, radio, billboard, Internet, video, video-streaming, digital signage, audio, magazine, newspaper, direct mail advertising campaigns, conventions and other public relations activities, developing and/or hosting an Internet web page or site and similar activities, employing advertising agencies to assist therein, and providing promotional brochures and other marketing materials to franchisees,

iv all Marketing Fund Contributions shall be maintained in a separate account(s) from Franchisor's other monies and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses Franchisor may incur in activities reasonably related to the media creation and administration of the Marketing Fund, including the cost of personnel,

v Franchisor shall endeavor to spend all Marketing Fund Contributions on marketing programs and promotions during Franchisor's fiscal year within which such contributions are made. If excess amounts remain in any Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, and then out of current contributions,

vi Franchisor has the right to terminate the Marketing Fund at any time. The Marketing Fund shall not be terminated, however, until all Marketing Fund Contributions and earnings have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis based on total Marketing Fund Contributions made in the aggregate by each franchisee,

vii each Face to Face Spa operated by Franchisor or an Affiliate shall make Marketing Fund Contributions at the same rate as Face to Face franchisees,

viii an accounting of the Marketing Fund shall be prepared annually and shall be available to Franchisee upon request, however, it is the intention of the Franchisor to provide an unaudited copy of the Marketing Fund accounting to all Franchisees at the annual meeting. Franchisor retains the right to have the Marketing Fund audited, at the expense of the Marketing Fund, by an independent certified public accountant selected by Franchisor, and

ix Franchisee acknowledges the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund

Section 11.3 Cooperative Advertising

Franchisees have the right, but not the obligation, to create a Cooperative Advertising program for the benefit of Face to Face Spas located within a particular region. If, at the time Franchisee signs the Franchise Agreement, any Cooperative Advertising program is in place that encompasses the geographic areas comprising Franchisee's Territory, Franchisee must join the Cooperative Advertising program and comply with the requirements set forth by the governing body. Franchisor has the right, but not the obligation, to allocate any portion of the Marketing Fund to a Cooperative Advertising program. The franchisees have the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisor owned units participate in such Cooperative Advertising programs when established within Franchisor unit's region. If a Cooperative Advertising program is implemented in a particular region, the franchisee members have the right to establish an advertising council to self-administer the Cooperative Advertising program. Franchisee may participate in the council according to the council's rules and procedures and if Franchisee does participate, Franchisee shall abide by the

council's decisions Franchisor shall require the Cooperative Advertising program to prepare periodic financial statements which are available for Franchisee's and Franchisor's review Franchisor does not require the Cooperative Advertising program to operate from written governing or contractual documents that are available for all applicable Franchisee's review Franchisor does not have the right to require the Cooperative Advertising program to be created, dissolved or merged

The Cooperative Advertising council shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by the Cooperative Advertising council including, but not limited to, ad copy, coupons, flyers, scripts and direct mail Franchisor shall use reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date all requested material is received by Franchisor If Franchisor does not approve submitted materials within twenty (20) days, such materials shall be deemed to have not received the required approval The submission of advertising materials to Franchisor for approval shall not affect the Cooperative Advertising council's right or franchisees' rights to determine the prices at which franchisees sell products or provides services

Franchisee may utilize any monthly amount paid to a Cooperative Advertising program as a credit to offset the amount due that month for the Local Advertising pursuant to the terms contained in Section 11.2

Section 11.4 Internet Advertising

Franchisee, and any Cooperative Advertising program, may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent Additionally, Franchisee shall not use any of the Marks, including the words or any combination of the words "Face to Face Spa" or "Face to Face Medi Spa" in any domain name or individual or group email address except as authorized by Franchisor Franchisor has established and maintains an Internet website at the uniform resource locators www.FaceToFaceSpa.com which provides information about the System and the services Franchisor, its Affiliates and its franchisees provide Franchisor will include at the Face to Face™ website an interior page containing information about the Franchised Business

Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, linking, search engines (and search engine optimization techniques), banner ads, video, video-streaming, digital signage, audio, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements Franchisor retains the sole right to approve any linking to, or other use of, the Face to Face website Further, Franchisor retains the right to utilize whatever form of advertising that may become available in the future

Franchisor has the sole right to maintain Social Media sites and other sites or applications that Franchisor may establish Franchisor does not allow Franchisee to establish or utilize Social Media sites or applications for business purposes Franchisee and Franchisee's employees do not have the right to utilize the Marks, any of the Trade Secrets, the Confidential Information, the common law copyrighted materials including the programs, photographs, service names, signage, promotional materials, Manual, training materials, Franchise Agreements, Area Development Agreements, and/or any other documents, materials and items for the general ambiance and decor used in the operation of the System and the Face to Face™ Businesses on any Social Media sites and/or applications, even if made from Franchisee's personal Social Media account Further, any representations from Franchisee or Franchisee's employees regarding Franchisee's profits or earnings made on any Social Media site and/or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under this Franchise Agreement

Section 11 5 Directory Advertising

Franchisee must list and advertise the telephone number(s) for the Franchised Business in the "yellow pages" directory distributed in its trade area in the directory heading or category as specified by Franchisor as well as through Yelp.com, City Search, Google maps, Mapsco. Advertising Franchisees must place the classified directory advertisement and listings together with other Face to Face Spas operating within the distribution area of the directories. If a joint listing is obtained, all Face to Face Spas listed together shall pay a pro rata share of the cost of the advertisements and listings. Telephone directory advertising expenditures are in addition to Franchisee's Local Advertising obligations. Franchisor reserves the right to add additional telephone advertising requirements as they may become available in the future, including with new technology advancements.

ARTICLE 12 - ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

Section 12 1 Records

Franchisee shall submit to Franchisor on or before the date specified in the Manual the financial, operational and statistical reports and information as Franchisor may require to (i) provide Franchisee with consultation and advice in accordance with this Agreement, (ii) monitor Franchisee's performance under this Agreement and Franchisee's purchases, revenue, operating costs, expenses and profitability, (iii) develop chain-wide or system statistics, (iv) develop new operating procedures, (v) develop new authorized services, remove unsuccessful authorized services, including unsuccessful Approved Suppliers and improve and enhance authorized services, and (vi) implement changes in the Face to Face System to respond to healthcare directives, regulations and competitive and marketplace changes.

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles described by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, copies of negotiated checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

Section 12 2 Financial Management

Franchisee shall make available sufficient working capital to permit operation of the Franchised Business in compliance with this Agreement. Franchisee shall pay the debts of, and taxes and assessments against the Franchised Business. Franchisee shall discharge any encumbrance against the Franchised Business within thirty (30) days of its creation.

Section 12 3 Gross Revenue Reports

Franchisee shall maintain an accurate record of Gross Revenue and shall deliver to Franchisor by close of business Saturday of each week via e-mail or intranet system a signed and verified statement of Gross Revenue ("Gross Revenue Report") for the previous Sunday to Saturday in a form that Franchisor approves or provides in the Manual, which shall be submitted together with the Royalty, Intranet, Marketing Fund Contribution, and any other owed fees. Franchisor reserves the right to change the reporting day of the week.

Section 12 4 Financial Statements

Franchisee shall supply to Franchisor on or before the tenth (10th) day of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date Franchisee shall, at its expense, submit to Franchisor within sixty (60) days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year Such financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing

Section 12 5 Other Reports

Franchisor shall submit the Marketing Report and the Marketing Fund Contribution and Local Advertising Reports in the same manner as depicted in Section 12 3 Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor's prospective franchisees, Franchisor's lenders or prospective lenders, as required with respect to offering Franchisor's or its Affiliate's securities to the public or as required to sell, merge or in any other manner transfer Franchisor's assets or any type of certificates representing an ownership interest in Franchisor Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement

Section 12 6 Computer/Software/Phone System

Franchisee must purchase, install, update, upgrade and use computer, point of sale system, credit card processing system, internet, phone systems, and surveillance systems consisting of hardware and software in accordance with Franchisor's specifications as stated in the Manuals Subject to applicable state and Federal laws, Franchisor shall have full access to all of Franchisee's computer, point of sale system, surveillance systems, software and phone data and systems and all related information by means of continuous direct access, whether in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement Franchisor shall have the right to independently access Franchisee's entire computer, software, phone data and systems, and all related information collected or compiled by Franchisee or in accordance with Franchisee's use of the computer, software, and phone systems, at any time, without notifying Franchisee

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures and similar problems, and attacks by hackers and other unauthorized intruders ("E-Problems") Franchisor has taken reasonable steps so that E-Problems will not materially affect the Franchisor's business Franchisor does not guarantee that information or communication systems that Franchisor or others supply will not be vulnerable to E-Problems It is Franchisee's responsibility to protect itself from E-Problems Franchisee should also take reasonable steps to verify that its suppliers, third-party vendors, lenders, landlords, and governmental agencies on which it relies, have reasonable protection from E-Problems This may include taking reasonable steps to secure Franchisee systems (including firewalls, password protection and anti-virus systems) and to provide backup systems

Section 12 7 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine copy and audit the books, records and tax returns of Franchisee If the audit or any other inspection should

reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus late fees as defined in Section 3.7 and interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower). If the audit is conducted due to (i) Franchisee's failure to provide required reports to us, or (ii) if any such inspection or audit reveals an underpayment of two percent (2%) or more of the amount due for any period covered by the audit, then Franchisee shall in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). In addition to any other rights Franchisor may have, including the right to Terminate this Agreement, Franchisor may conduct such further periodic audits and/or inspections of Franchisee's books and records as we reasonably deem necessary for up to one (1) year thereafter at Franchisee's sole expense, including, without limitation, reasonable professional fees, legal fees, accounting fees, travel, and lodging expenses directly related thereto. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

In the event that there are three (3) deficiencies during any twelve (12) month period, the second deficiency shall be considered a material default of this Agreement and Franchisor shall have the right to terminate this Agreement without providing Franchisee the opportunity to cure the default.

Section 12.8 Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting, banking and legal professionals and tax authorities, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Revenue, profits, losses, income, tax liabilities, tax payments, including federal, state and local tax returns, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement plus three (3) years or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

ARTICLE 13 - STANDARDS OF OPERATION

Section 13.1 Authorized Products, Services and Suppliers

Franchisee acknowledges the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale, or contract to offer for sale, or use at the Franchised Business only those product items, supplies, signs, equipment and other items and services Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate, or a third party from which Franchisor derives a fee or profit). Franchisee shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any products or services Franchisor has not approved in writing.

Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of Approved Suppliers for some or all of the products, services, supplies, signs, equipment, fixtures and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. Franchisor's designation of a particular third party supplier whom Franchisee must purchase, lease or license specified services does not constitute a representation or warranty of the Approved Supplier's ability to meet Franchisee's requirements nor of the fitness or merchantability of the services sold, leased or licensed by the supplier. Franchisee understands and

agrees that its sole remedy in the event of any shortages, delays or defects in the products, equipment, or services purchased, sold, leased from a designated third party Approved Supplier shall be against the Approved Supplier, not Franchisor or Franchisor's Indemnitees

FRANCHISOR DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES CONCERNING ANY PRODUCTS OR SERVICES PROVIDED BY APPROVED SUPPLIERS, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AVAILABILITY, QUALITY, PRICING OR PROFITABILITY ALL WARRANTIES ARE DERIVED STRICTLY AND SOLELY FROM THE MANUFACTURERS Franchisee acknowledges that Franchisor may, under appropriate circumstances, receive fees, commissions, field-of-use license royalties, or other consideration from approved suppliers based on sales to franchisees, which consideration shall be contributed to Franchisor

Franchisor may exercise its option to act as an intermediary between Franchisee or customer and supplier However, this act by Franchisor does not create or constitute an agency relationship, nor an informed intermediary relationship between Franchisor and supplier and does not subject Franchisor to any liability on behalf of suppliers warranty nor any product liability under any theory, in any jurisdiction

If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase agreement or execute a Vendor or Supplier Agreement for the items to be supplied by Franchisor or its Affiliate along with the Credit and Security Agreement attached hereto as Exhibit 10 The payment terms to Franchisor or an Affiliate are the terms stated on the Vendor or Supplier Agreement or Purchase Order supplied to Franchisor or an Affiliate and in no way shall be modified to coincide with any Agreement between Franchisee and Franchisees' client

If Franchisee desires to utilize any services or products Franchisor has not approved (or for services and products that require supplier approval by Franchisor), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria Franchisor shall not charge a fee for any review of said service or product, however, Franchisee or Supplier shall bear all reasonable expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier Franchisor will decide, within its sole discretion, within ninety (90) days after receiving the required information whether Franchisee may purchase or lease such items or services from such supplier Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications Franchisor deems confidential If Franchisor does not submit approval in writing to the Franchisee within ninety (90) days, the recommended supplier is deemed denied

Notwithstanding anything to the contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor within thirty (30) days or sooner if mandated by government recall, warnings or notices, or by the Franchisor

Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing, either for the purpose of customer or operational feedback or evaluation, and regional or local legal differences Franchisor has the right to give its consent to one or more franchisees to provide certain products or services not authorized for general use as part of the System Such consent will be based upon the

factors set forth in Section 13.1 and shall not create any rights in Franchisee to provide the same products or services

Section 13.2 Appearances and Condition of the Franchised Business, Refurbishment

Franchisee shall maintain the Franchised Business and the Approved Location in "like new" condition, and shall repair or replace furnishings, equipment, fixtures and signage as necessary to comply with the standards and specifications of Franchisor, Franchisee's lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications required by Franchisor. Franchisee shall be required to refurbish and update the Approved Location throughout the term of this Agreement as necessary and/or as directed by Franchisor.

Section 13.3 Ownership and Management

Franchisee's Face to Face Spa shall, at all times, be under the direct supervision of Franchisee or a Designated Manager who has successfully completed Franchisor's training program. The Designated Manager shall devote sufficient efforts to the management of the day-to-day operations of the Franchised Business. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its current Designated Manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

Franchisor will make available to Franchisee via the approved vendor and/or the media website, www.FaceToFaceSpa.com, human resource and employee information and forms. Franchisee is solely responsible for the hiring, disciplining, supervising, promoting and firing of its employees and the establishment of their salaries. However, in keeping with the image of Face to Face Spas nationwide, all employees hired and maintained by Franchisee shall be free of facial piercings, exposed tattoos, chronic skin issues, unnaturally colored hair, felony convictions, abuse convictions against spouses, minors, animals, or elderly, multiple ear piercings, gauging, and unhygienic personal care.

Section 13.4 Inspections

Franchisee will permit Franchisor and its representatives to enter the Franchised Business and any location where products or records pertaining to the Franchised Business are stored at any time during normal business hours and upon reasonable notice, for purposes of conducting inspections. Franchisee will cooperate fully with Franchisor and its representatives by rendering assistance as may be requested and permit them to observe how Franchisee is selling the products and rendering the services, to monitor sales volume, to conduct a physical inventory, to confer with Franchisee's employees and customers and to remove samples of any products, supplies and materials in amounts reasonably necessary to return to Franchisor's office for inspection and record keeping. A portion of a sample taken will be given to Franchisee for safekeeping in a tamperproof container. The inspections will be performed in a manner that minimizes interference with the operations of the Franchised Business. Franchisor and/or Franchisee may videotape the inspections. Upon notice from Franchisor, and without limiting Franchisor's rights under this agreement, Franchisee will take all necessary steps to immediately correct any deficiencies detected during inspections, including immediately stopping use of any equipment, advertising, materials, products, supplies or other items that do not conform to Franchisor's then current requirements. If Franchisee fails or refuses to correct any deficiency, Franchisor has the right, without any claim to the contrary by Franchisee, to enter Franchisee's location or office without being guilty of trespass or any other tort, for the purpose of making or causing to be made all corrections as required, at Franchisee's expense, payable by Franchisee upon demand.

Section 13 5 Licenses and Permits

Franchisee is solely responsible for ensuring that the Franchised Business is designed, constructed or improved, equipped and furnished in accordance with System standards. Franchisee shall secure and maintain in force, in Franchisee's name, all required licenses, permits and certificates relating to the operation of the Franchisee's Business. Franchisee shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

Section 13 6 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, or of the issuance of any order, writ, injunction, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any law, rule or regulation that reflects a notice of re-inspection by a date certain by the governmental agency or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation. Franchisee will provide Franchisor with any information Franchisor requests, within five (5) days of request, about the progress and outcome of events.

Section 13 7 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created hereby. Therefore, Franchisee shall endeavor to maintain and require from their employees and contracted personnel, if applicable, high standards of quality and service in the operation of the Franchised Business. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. Franchisee shall immediately resolve any customer complaints regarding the quality of service of the Franchised Business or any similar complaints. When any customer complaints cannot be immediately resolved, Franchisee shall use his/her best efforts to resolve the customer complaints as soon as practicable and shall, whenever feasible, give the customer the benefit of the doubt. The Franchised Business shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor, in its sole discretion, determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if Franchisor, in its sole discretion, believes that Franchisee has failed to adequately address or resolve any customer complaints, Franchisor may, without Franchisee's consent, resolve any complaints and charge Franchisee an amount sufficient to cover Franchisor's reasonable costs and expenses in resolving the customer complaints, which amount Franchisee shall pay to Franchisor immediately on demand. Franchisor has the right to terminate this Agreement for violation of this Section.

Franchisee agrees to refrain from any business or advertising practice which may be injurious to the System and the goodwill associated with the Marks and other Face to Face Spas. Franchisee and Franchisee's employees shall be required to adhere to all aspects of this Section. Failure to adhere to this section shall result in a default of this Agreement.

In an effort to ensure fair and honest public feedback, and to prevent the publishing of libelous content in any form, your acceptance of this Agreement prohibits Franchisee and Franchisee Indemnitees from taking any action that negatively impacts Franchisor, its reputation, products, services, management or employees

Franchisee and Franchisee's owners agree to comply, and to assist Franchisor to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below) In connection with that compliance, Franchisee and Franchisee's owners certify, represent, and warrant that none of Franchisee's property or interests is subject to being blocked under, and that Franchisee and Franchisee's owners otherwise are not in violation of, any of the Anti-Terrorism Laws "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT ACT, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's owners, or any blocking of Franchisee or Franchisee owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 17.2 below

Section 13.8 Uniforms

Franchisee shall abide by any uniform or dress code requirements stated in the Manual or otherwise Uniforms, or logoed apparel, if required, must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms or logoed apparel

Section 13.9 Vending Machines

Franchisee shall not install or use at Franchisee's Face to Face Spa any vending machines, amusement devices, jukeboxes, video machines or other similar devices without Franchisor's prior written approval

Section 13.10 Credit Cards

Franchisee shall honor all credit cards approved by Franchisor Franchisee must obtain the prior written approval of Franchisor prior to honoring any previously unapproved credit cards or other credit devices Franchisee shall keep all communication connections and access to financial and credit card information secure in a manner which is in compliance with all legal requirements and security requirements of issuing credit card companies Franchisee at all times must comply with all payment card industry data security standards laws and regulations including any laws applicable to abandoned property and escheat and shall hold Franchisor harmless from any and all claims and liabilities

Franchisee must, at its own expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and such other credit, debit and gift card issuers as Franchisor designates, from time to time, to enable the Franchised Business to accept such methods of payment from its customers, if applicable

Section 13.11 Best Efforts

Franchisee shall diligently and fully exploit the rights in this Agreement by personally devoting best efforts, and in case more than one (1) individual has executed this Franchise Agreement as a Franchisee, the individual so designated in this Agreement shall personally devote best efforts towards the operation of the Franchised Business, or provide for full time management, trained and approved by the Franchisor, to manage the Franchised Business The continued right of Franchisee's Territory does depend on Franchisee's sales volume and customer satisfaction rating Franchisee shall

be required to reach an annual minimum annual Gross Revenue each calendar year of Two Hundred Thousand Dollars (\$200,000 00) Franchisee must also at all times maintain customer satisfaction ratings of at least an eighty percent (80%) as calculated based on the customer rating scale

Franchisee is encouraged to submit suggestions in writing to Franchisor for improving elements of the system, including products, services, equipment, service format, advertising and any other relevant matters, that Franchisor considers adopting or modifying standards, specifications and procedures for the system Franchisee agrees that any suggestions made are Franchisor's exclusive property Franchisor has no obligation to use any suggestions If any suggestion is implemented by Franchisor, said suggestion will become part of the system and no compensation is owed to Franchisee Franchisee may not use any suggestions inconsistent with Franchisee's obligations under this agreement without our written consent

Section 13 12 Period of Operation

Notwithstanding local law, Franchisees must keep the franchised business open to the public and operating during the days and times as set forth in the manual

Section 13 13 Former Franchisees

Franchisee acknowledges that Former Franchisees are in a position to compete unfairly with Franchisor, Franchisee and/or other members of the System, and to cause great injury to the reputation of the System and/or the Proprietary Marks Franchisee therefore agrees as follows

i Franchisee will not sell, loan, give or otherwise transfer or deliver to any Former Franchisee, or allow any Former Franchisee to copy or otherwise obtain, any confidential business information about the System, any advertising or promotional materials produced by the Marketing Fund or by us or which bear any of the Proprietary Marks, any other of our materials or publications, including, without limitation, the Manual, any directory or roster of franchisees or Approved Suppliers, any other customer lists or mailing lists pertaining in any way to the System, or any other information about the Face to Face Spa or the System which is not available to the public,

ii Franchisee will not refer prospective Customers to any Former Franchisee,

iii Franchisee will not notify or advise any Former Franchisee of, or in any other way assist any Former Franchisee in learning about, the date, time and place of any meetings of franchisees,

iv If Franchisee observes any Former Franchisee using any of the Proprietary Marks in any way, or utilizing business premises or motor vehicles from which the Proprietary Marks and/or distinctive color scheme have not been completely obliterated, Franchisee shall immediately report such observation to us, along with all details available to Franchisee,

v Franchisee shall, in general, have no dealings with a Former Franchisee which Franchisee, under this Agreement, could not have with a person who has never been a Face to Face Franchisee, and

vi The provisions of this Section 13 13 shall apply to Franchisee upon notice of the expiration or termination of another Franchisee's Franchise Agreement

Section 13 14 Franchisees Employees

Franchisee will maintain a competent, conscientious staff and contract or employ the minimum number of individuals necessary to meet the anticipated volume of business and to achieve

the goals of the system Franchisee will take all steps necessary to ensure that Franchisee's contractors and employees meet the employment criteria, keep a neat appearance, and comply with any dress code Franchisor requires, and subject to the requirements of landlords, if applicable Franchisee is solely responsible for the hiring, disciplining, supervising, promoting and firing of its employees and the establishment of their salaries Franchisee will not recruit or hire any employee of a Face to Face Spa operated by Franchisor or another Franchisee within the system without obtaining the employers written permission

Section 13 15 Customer Lists

Franchisee will present to customers any evaluation forms that Franchisor requires and will participate and/or request its customers to participate in any marketing surveys performed by or for Franchisor Franchisee will maintain a current customer list containing each customer's name, address, telephone number and supply a copy of the list to Franchisor on a quarterly basis Franchisee's customer list is at all times the exclusive property of Franchisor Franchisee must participate in any process Franchisor develops to record all customer information While this Agreement is in effect, Franchisor will not use Franchisees customer list for any profit or in any activity adverse to, or in competition with, Franchisee

ARTICLE 14 - FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

Section 14 1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters, webinars and other methods with respect to planning, opening and operating the Franchised Business After Initial Training, as discussed in Section 8 1, Franchisor shall not charge for this service Franchisee will be billed, at Franchisors option, for Special Assistance as defined in Section 8 5 for any advice or guidance needed or given to or on behalf of Franchisee Franchisor retains the right to refuse this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating Face to Face Spas

Franchisee shall have the sole right to determine the prices to be charged by the Franchised Business, provided, however, that Franchisor shall have the sole right to determine the prices or fees to be charged for products sold through the Face to Face Internet site and provided by Franchisor or on its behalf, including products sold to persons identified as customers of the Franchised Business

Section 14 2 Periodic Visits

Franchisor or Franchisor's representative may make periodic visits, which may be in person, electronic or telephonic, which may be announced or unannounced, to the Franchised Business for the purposes of observation, consultation, quality control, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of either or both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business A copy of any such written report shall be provided to Franchisee Franchisee shall implement any required changes or improvements as required by Franchisor, and within the time period required by Franchisor, with time being of the essence

Section 14 3 System Improvements

Franchisor shall communicate improvements in the System to Franchisee as such improvements may be developed or acquired by Franchisor and implemented as part of the System

Section 14 4 Marketing and Promotional Materials

Franchisor may periodically provide pre-approved advertising and promotional materials including ad-slicks, brochures, fliers, menus and other materials in a variety of forms and formats to Franchisee for use in the operation of the Franchised Business

ARTICLE 15 - INSURANCE

Section 15 1 Types and Amounts of Coverage

Franchisee shall, at its sole cost and expense, maintain all insurance required by state, provincial or federal law, including workers' compensation or other insurance required for its employees, and including required policy limits under the lease for the Franchised Business and the operation of the Franchised Business. The insurance policy or policies must be written in accordance with Franchisor's then-current standards and specifications, and at a minimum must include the following: (a) "all risk" property insurance, including business interruption insurance, customarily obtained by similar businesses in your general area to cover, at a minimum, all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Face to Face Spa, and (b) comprehensive general liability insurance, including products and contractual, in an amount of not less than \$1,000,000 per occurrence with a \$2,000,000 general aggregate, and (c) workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than \$1,000,000, and (d) an umbrella policy in an amount of not less than \$1,000,000, and (e) professional liability coverage on each employee who performs services on customers with coverage in amounts not less than \$100,000 per employee, and (f) if necessary, automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than \$1,000,000 combined single limit. Franchisor may, from time to time, modify the required minimum limits and require additional insurance coverage by providing 30 days written notice to you. If Franchisee fails to procure and maintain the required insurance coverage required herein, Franchisor has the right, but not the obligation, to procure insurance coverage and to charge the costs to Franchisee, together with a reasonable fee for the expenses Franchisor incurs in doing so. Franchisee must pay all amounts owed to Franchisor as stated herein immediately upon written notice.

The above insurance must commence as of the date you sign a lease or purchase agreement for the Franchised Business. You must deliver to us a certificate evidencing such insurance coverage and your compliance with the provisions of this Section.

Section 15 2 Additional Insured, Certificates of Coverage

All insurance policies procured and maintained by Franchisee pursuant to this Agreement shall (a) name Franchisor as an additional insured, (b) waive any right to assert a claim back against Franchisor, and (c) undertake to notify Franchisor thirty (30) days in advance of any cancellation or material change in the policy. Franchisee must provide Franchisor with certificates of coverage at least annually. If Franchisee fails to provide the certificates of insurance, Franchisor (in addition to all other rights and remedies) may purchase such insurance in the name and on behalf of Franchisee, and Franchisee shall immediately reimburse Franchisor's expenses and premiums paid to obtain such insurance.

Section 15 3 Carrier Standards

Such policies shall be written by an insurance company licensed in the State in which Franchisee operates and having at least an "A-" Rating Classification as indicated in the latest issue of A M Best's Key Rating Guide

Insofar and to the extent that this Section may be effective without invalidating it or making it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the state where Franchisee's Face to Face Spa is located (even though an extra premium may result), both parties agree that, for any loss that is covered by insurance then being carried by them, their respective insurance companies have no right of subrogation against the other

Section 15 4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 6 4 and 21 3 Franchisee shall provide annually, certificates of insurance showing compliance with the foregoing requirements Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums

Section 15 5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice

ARTICLE 16 - DEFAULT AND TERMINATION

Section 16 1 Termination by Franchisee

If Franchisee is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within sixty (60) days after receiving written notice identifying the claimed breach, Franchisee has the right to terminate this Agreement unless the breach cannot reasonably be cured within such sixty (60) days If the breach cannot reasonably be cured in such sixty (60) days, Franchisee has the right to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts

Section 16 2 Termination by Franchisor

Non-curable Defaults

Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee

i fails to pay the Initial Franchise Fee (or any balance thereof) at the time due or fails to commence the operation of the Franchised Business within the time provided in this Agreement,

ii fails to select an approved site for or develop the Franchised Business pursuant to Section 2 2,

iii fails to have its Required Staff satisfactorily complete any training program within the required time period, pursuant to Section 8 3,

iv made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement,

v is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business, including, but not limited to, sexual or violent crimes,

vi is convicted of or pleads no contest to a crime involving spousal, sexual, animal, minor, or elderly abuse,

vii receives more than two (2) cure notices in any twelve (12) consecutive month period,

viii discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual or any other Confidential Information or the Marks,

ix abandons, fails or refuses to actively operate the Franchised Business for three (3) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Business following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable,

x surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required,

xi fails to maintain the Franchised Business under the primary supervision of a Designated Manager during the ninety (90) days following the death or incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 18 6,

xii fails to begin operations within one hundred twenty (120) days of the Effective Date,

xiii fails to complete training within ninety (90) days of the Effective Date,

xiv payment more than fifteen (15) days past due,

xv default by guarantor,

xvi submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that fail to report and/or understate by more than two percent (2%) any Royalty Fee, or Marketing Fund Contribution for any month or any other fees owed to Franchisor for any applicable accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error,

xvii is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency, if a receiver of its property or any part thereof is appointed by a court, if it makes a general assignment for the benefit of its creditors, if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed), if execution is levied against Franchisee's business or property, if lessor evicts Franchisee from the Approved Location, if a suit to foreclose any lien or mortgage against its Approved Location or

equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed,

xviii misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks,

xix fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, or amounts due for purchases from Franchisor and/or any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee,

xx continues to violate any insurance law, internal revenue statute, ordinance or regulation, or operates the Franchised Business in a manner that presents a hazard to its customers, employees or the public,

xxi engages in any activity exclusively reserved to Franchisor,

xxii negatively communicates or impacts the Franchise system to any current or prospective franchisee, outside of Franchisor sponsored forums,

xxiii fails to comply with any applicable law or regulation after being given notice of noncompliance within the lesser of ten (10) days after being given notice of noncompliance or as required by the applicable law or regulation,

xxiv repeatedly breaches this Agreement and/or repeatedly fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured, or

xxv defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates

Curable Defaults

Except as otherwise provided above in this Section 16.2, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination and stating the nature of the default, provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period

i within ten (10) calendar days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing by Franchisor, or

ii within twenty-four (24) hours of receiving notice that Franchisee has failed any quality control check,

iii within thirty (30) days of receiving notice of Franchisee's deleterious conduct,

iv within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing, or

v Within sixty (60) days of receiving notice of default arising from Franchisee's failure to comply with any legal or regulatory notice from the administrative or legal authority fail to certify correction of the default

If any default is not cured within the above time, if a curable default, or for any longer time as applicable law may require, an Event of Default has occurred by Franchisee, and all of Franchisee's rights under this Agreement terminate without additional notice to Franchisee, effective immediately. In addition to the Events of Defaults listed within this Section, an event of Default by Franchisee occurs if Franchisee fails to comply with any of the covenants or requirements imposed by this Agreement, as it may be revised or supplemented by the Manuals, where the authority has been given to the Manuals by this Agreement or the Franchise Disclosure Document, or to carry out this Agreement in good faith. Franchisee has the burden of proving that Franchisee properly and timely cured any Default, to the extent a cure is permitted under this Agreement.

Section 16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

Section 16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination, Franchisor has the right to suspend its performance of any of its obligations under this Agreement and to notify any Approved Suppliers or Affiliates to suspend all obligations to Franchisee.

Section 16.5 Cross-Defaults, Non-Exclusive Remedies, etc

Any default by Franchisee regarding this particular franchise unit (or any person/company affiliated with Franchisee) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and Franchisee (or any of Franchisee's affiliates). Any default by Franchisee (or any person/company affiliated with Franchisee) under any other agreement, specifically related to this particular franchise unit, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and Franchisee (or any person/company affiliated with Franchisee), and any default by Franchisee (or any person/company affiliated with Franchisee) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by Franchisee, specific to this particular franchise unit (or any person/company affiliated with Franchisee) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and Franchisee (or any of Franchisee's affiliates). This provision specifically excludes a default regarding Franchise Unit #1 having a cross-defaulting effect on Franchise Unit #2, which is not in default based upon its own actions, which is owned by one or more of the same owners, members, partners, shareholders, or unit holders.

In each of the foregoing cases, Franchisor (and any of our affiliates) will have all remedies allowed by law, including termination of Franchisee's rights under the Franchise Agreement (and/or those of any person/company affiliated with Franchisee), Lease march-in rights and Franchisor's (and/or our affiliates') obligations under the Franchise Agreement. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity. Franchisor is free to pursue any rights and/or remedies available.

ARTICLE 17 - RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

Section 17.1 Actions to be Taken

Except as otherwise provided herein, upon termination, non-renewal, or expiration, this Agreement and all rights granted herein to Franchisee shall terminate and Franchisee shall

i immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or Former Face to Face Franchisee,

ii immediately remove all identifying architectural superstructure and signage on or about the business bearing the Marks (or any similar Marks) All property belonging to Franchisor will be held by Franchisee for delivery to Franchisor upon request, at Franchisee's expense Any signage that Franchisee is unable to remove within one business day of the termination of this agreement must be completely covered by Franchisee until the time of its removal If Franchisee fails or refuses to comply with this obligation, Franchisor has the right to enter upon the premises, without being guilty of trespass or any other tort for the purpose of removing the signage and storing it in another location, at a reasonable expense (for signage not owned by Franchisor) payable by Franchisee on demand,

iii maintain a conspicuous sign at the business in a form specified by Franchisor stating that Franchisee's business is no longer associated with the franchise system, and advise all customers or prospective customers telephoning Franchisee's business that the business is no longer associated with the franchise system, until all modifications and alterations required by this section are completed,

iv deliver to Franchisor, all information, including any contracts, e-mail transmissions, written memorandums, customer sheets, or any other written or electronic data regarding customer lists or marketing efforts,

v refrain from taking any action to reduce the goodwill of Franchisee's customers or potential customers, towards Franchisor, other Franchisees or any other aspect of the System,

vi cease to use the Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks,

vii upon demand by Franchisor, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after Termination or expiration of this Agreement Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due, with no liability for any previous months lease payments prior to Franchisor accepting the assignment or sublease,

viii immediately take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any fictitious or assumed name or equivalent registration filed with state, city or county authorities which contains the name "Face to Face Spa" or any Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement,

ix pay all sums owing, after the Effective Date of Termination or Expiration of this Agreement until the date that Franchisee completes all post-termination obligations required under this Agreement, to Franchisor, and any Affiliate, which may include, but not be limited to, all damages,

costs and expenses, unpaid Royalty Fees, and Marketing Fund Contributions, or any other amounts due to Franchisor or any Affiliate within five (5) days after Termination or expiration of this Agreement,

x immediately return to Franchisor the Manual and all other Confidential Information including all materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property),

xi assign all telephone listings and numbers for the Franchised Business to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Franchised Business or Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to Franchisor, or their assign,

xii keep and maintain all business records pertaining to the business conducted at the Franchised Business for three (3) years after the Effective Date of Termination or Expiration of this Agreement. During this period, Franchisee will permit Franchisor to inspect such business records as frequently as Franchisor deems necessary, and

xiii comply with all other applicable provisions of this Agreement

If Franchisee fails or refuses to comply with the requirements of this section, Franchisor has the right to enter upon the premises for the purpose of making or causing to be made all changes as may be required, at a reasonable expense (this expense Franchisee must pay upon demand) and at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to Franchisee's property or others, and without liability for trespass or other tort or criminal act. Franchisee agrees that Franchisee's failure to make these alterations will cause an irreparable injury to Franchisor.

Section 17.2 Post-Termination Covenant Not to Compete

Franchisee acknowledges the restrictive covenants contained in this Section and in Section 17.1 are fair and reasonable and will not impose any undue hardship on Franchisee or any Covered Person, since Franchisee and Covered Person has other considerable skills, experience, and education which afford Franchisee and Covered Person the opportunity to derive income from other endeavors, and are justifiably required for purposes including, but not limited to, the following:

- i protecting the Trade Secrets and other Confidential Information of Franchisor,
- ii inducing Franchisor to grant a Franchise to Franchisee, and
- iii inducing Franchisor to incur costs in training Franchisee and its officers, directors, executives, managers and Designated Managers

To prevent a conflict of interest and unfair competition based upon Franchisee's knowledge and use of the Franchisor's System and Marks, neither Franchisee, nor any Covered Person or employee shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity

i own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a thirty (30) mile radius of the Approved Location or within the

Protected Territory (whichever is greater), and (b) within a thirty (30) mile radius of the location of any other Face to Face™ Business in existence at the time of termination or expiration, or

11 solicit or otherwise attempt to induce or influence any customer, employee or other business associate of Franchisor, its Affiliate(s) or any other franchisee to terminate or modify his, her or its business relationship with Franchisor, its Affiliate(s) or any other franchisee, by direct or indirect inducement or otherwise

In furtherance of this Section, Franchisor has the right to require officers, managers, and partners along with certain individuals and any Covered Person to execute a standard form non-disclosure or non-competition agreements in a form the same as the Non-Disclosure and Non-Competition Agreement attached as Exhibit 2

Section 17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Article 10 or 13. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing signage, telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location, without the threat of committing a tort or trespass, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay immediately upon demand.

Section 17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including leasehold improvements, equipment, supplies and other inventory.

If Franchisor or Franchisor's Assignee exercises the option to purchase, pending the closing of the purchase, Franchisor has the right to appoint a manager to maintain the operation of the Face to Face Spa. Alternatively, Franchisor may require Franchisee to close the Face to Face Spa during this time, without removing any assets. Franchisee will maintain in force all insurance policies required in this agreement until the date of closing. Franchisor agrees to use reasonable efforts to affect the termination of the existing lease for the location and enter into a new lease on reasonable terms with the landlord. If Franchisor is unable to enter into a new lease and Franchisee's rights under the existing lease are assigned to Franchisor where Franchisor subleases the location from Franchisee, Franchisor indemnifies Franchisee from any ongoing liability under the lease occurring after the date Franchisor assumes possession of the business.

The purchase price shall be equal to the assets' book value, excluding any goodwill or fair market value, whichever is less, and shall abide by the following:

a if Franchisor and Franchisee are unable to agree on the fair market value of the Assets within thirty (30) days after Franchisee's receipt of Franchisor's notice of its intent to exercise its option to purchase the Assets, the fair market value shall be determined by two professionally certified appraisers, Franchisee selecting one and Franchisor selecting one. If the valuations set by the two appraisers differ by more than ten percent (10%) of the higher amount, the two appraisers shall select a third professionally certified appraiser who also shall appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) shall be conclusive and shall be the Purchase Price. If, within a reasonable time, Franchisee fails to select a professionally certified appraiser, or the appraiser selected by Franchisee fails to set a value, or the two appraisers do not agree on a third appraiser when such an appraiser is required, then in any of those events the value set by the appraiser selected by Franchisor shall be conclusive,

b the appraisers shall be given full access to the Franchise Business and Franchisee's books and records during customary business hours to conduct the appraisal, and shall value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section 17.4. The fees and costs of the appraiser or appraisers shall be borne equally by Franchisor and Franchisee on a 50/50 valuation,

c within thirty (30) days after the Purchase Price has been determined, Franchisor may exercise its option to purchase the Assets by so notifying Franchisee. The Purchase Price shall be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which shall take place no later than sixty (60) days after Franchisor's receipt of the valuations set by the appraisers. At the Closing, Franchisee shall deliver instruments transferring to Franchisor or its assignee (1) good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee, (2) all licenses and permits for the Franchised Business that may be assigned or transferred, with appropriate consents if required, and (3) the lease or sublease for the Franchise Business, with appropriate consents if required. If Franchisee cannot deliver clear title to all of the purchased Assets as indicated in this Section, or if there are other unresolved issues, the Closing shall be accomplished through an escrow,

d prior to Closing, Franchisee and Franchisor shall comply with all applicable legal requirements, including the bulk sales provisions, if applicable, of the Uniform Commercial Code of the state in which the franchised business is located and the bulk sales provisions, if applicable, of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Franchise Business prior to Closing. Franchisor shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Franchisor and its affiliates, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Franchisor, and

e if Franchisor or its assignee exercises the option to purchase, then Franchisee shall maintain in force all insurance policies required under this Agreement until the Closing. If the Franchise Business is leased, Franchisor agrees to use reasonable efforts to effect a termination of the existing lease for the Franchise Business. If the lease for the Franchise Business is assigned to Franchisor or if Franchisor subleases the Franchise Business from Franchisee, Franchisor shall indemnify and hold Franchisee harmless from any ongoing liability under the lease from the date Franchisor assumes possession of the Franchise Business. If Franchisee owns the Franchise Business location, Franchisor, at its option, will either purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with Franchisee on terms comparable to those for which similar commercial properties in the area are then being leased. The initial term of this lease with Franchisee shall be at least ten (10) years and the rent shall be the fair market rental value of the Franchised Location. If Franchisee and Franchisor cannot agree on the fair market rental value of any Franchised Location, then the rental value shall be determined by an appraiser or appraisers selected and paid in the manner described in Sections 17.4 (i) and (ii).

Section 17 5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect until they are satisfied in full or by their nature expire

Section 17 6 Existence of Claim

Franchisee expressly agrees that the existence of any claim that Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants in this Article 17

Section 17 7 Injunction

Franchisee acknowledges that any threatened or actual failure to comply with the requirements of this Article 17 would cause Franchisor to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents, even if contract to Franchisee's state law, to the ex parte entry of a temporary or permanent injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 17 Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement, statute, common law or otherwise

Section 17 8 Franchisor is Attorney In Fact

Franchisor may, if Franchisee fails or refuses to do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary to cause discontinuation of Franchisee's use of the name, Face to Face Spa, or any other related or similar name or use thereunder, cancellations of services related to the Franchised Business, the execution of an assignment or sublease of the Approved Location, and Franchisor is hereby irrevocably appointed by Franchisee as Franchisee's Attorney-In-Fact to do so

Section 17 9 Liquidated Damages

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from continuing Royalty Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term Therefore, upon termination of this Agreement according to its terms and conditions resulting from a breach by Franchisee, Franchisee agrees to pay to Franchisor within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to one thousand dollars (\$1,000) per week through the end of the Term or until the Territory is resold, whichever occurs first, without the necessity of holding a full trial, and without the necessity of posting security or bond

The liquidated damages provision only covers our damages from the loss of cash flow from the continuing Royalty Fees It does not cover any other damages, including damages to Franchisor's reputation with the public and damages arising from a violation of any provision of this Agreement other than the continuing Royalty Fee section Franchisee and each of Franchisee's owners agree that this liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the continuing Royalty Fee section

ARTICLE 18 - TRANSFERABILITY OF INTEREST

Section 18.1 Transfer by Franchisor

This Agreement and all rights and duties herein are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred, provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor herein and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement

Section 18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's (or its owners') personal or collective skills and financial ability. Accordingly, except for percentage of ownership transfers inter se, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor, such approval will not unreasonably be withheld. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements, which shall not be unreasonably withheld, conditioned or delayed, other than the completion of the below items:

- i Franchisee has complied with the requirements set forth in Article 19,
- ii all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied,
- iii Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as the General Release attached as Exhibit 1, provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law,
- iv the prospective Transferee has satisfied to Franchisor's satisfaction that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require, to operate a franchised business,
- v the Transferee and, if Franchisor requires, all persons owning any interest in the Transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement. However, the fees shall not be more than the current fees being paid by transferor,
- vi the Transferee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, but also including in the general release terms releasing, any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, legal representatives, attorneys, agents, owners and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business.

conducted pursuant thereto or any other matter that may have been made to the Transferee by Franchisee, provided, however, that if a general release is prohibited, Transferee shall give the maximum release allowed by law,

vii Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective Transferee relating to the intended sale or transfer of the Franchise,

viii Franchisee, or the Transferee, has paid to Franchisor a transfer fee in an amount equal to 2/3 of the then current franchise fee,

ix the Transferee, and all holders of a legal or beneficial interest in the Transferee, have agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of the term,

x Transferee has agreed to be bound by the obligations of the new franchise agreement, any existing Franchise contracts and to guarantee the full performance thereof by the Transferee, if required by Franchisor,

xi the Transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable Federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied,

xii Franchisee, and in the event Franchisee is an entity all of the holders of a legal and beneficial interest in Franchisee, have executed and delivered to Franchisor a Non-Disclosure and Non-Competition Agreement in a form satisfactory to Franchisor and in a substance the same as the Non-Disclosure and Non-Competition covenants contained in Articles 7 and 17 and attached as Exhibit 2,

xiii the Transferee agrees that its Required Staff, that have not already completed the training, shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Article 8 prior to assuming the management of the day-to-day operation of the Franchised Business

Transferee shall receive the franchised businesses Protected Territory as described in Section 2.5 in its entirety with all rights to exclusivity and scope given in the original Franchise Agreement prior to the transfer to Transferee

Section 18.3 Transfer to a Controlled Entity

Franchisor shall consent to Franchisee's assignment of this Agreement to a corporation or other business entity whose shares are wholly owned and controlled by Franchisee ("Controlled Entity") provided that

i the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Business,

ii Franchisee, or all holders of a legal or beneficial interest in Franchisee, own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity,

iii all obligations of Franchisee to Franchisor, or any Affiliate, are fully paid and satisfied, provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2,

iv the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor,

v all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor, jointly and severally, guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement,

vi each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement, and

vii copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors and stockholders, managing members and members and general partners and limited partners, as applicable, authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the Transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

Section 18.4 Franchisor's Disclosure to Transferee

Franchisor has the right but not the obligation, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended Transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended Transferee identified by Franchisee.

Section 18.5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted herein. Franchisor will not withhold consent for "For-Sale Advertising" unreasonably upon written notice by Franchisee.

Section 18.6 Transfer by Death or Incapacity

Upon the death or incapacity (as determined by a court of competent jurisdiction) of any individual franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person will, within three (3) months following such event, transfer such individual's interest in the Franchised Business to a third party approved by Franchisor or Franchisor

shall have the right to terminate this Agreement. Such transfers, including transfers by Will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement unless prohibited by the state where Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such three (3) month period, the Franchised Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

Following the death or incapacity of an owner of the Franchised Business, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Manual from time to time as well as charge Franchisee for any expenses incurred that are not paid out of the operating cash flow of the Franchised Business.

Section 18.7 Transfer upon Divorce or Partnership Dissolution

If this Agreement is in the name of two persons who are husband and wife or two or more persons who are partners as Franchisees, this section describes the policies to be applied upon divorce or dissolution of the partnership. During the period when a divorce or partnership dissolution action is pending, you must adopt one of the following methods of operation:

a if one of the parties is willing to relinquish his or her right and interest in the franchise, thereby leaving his or her spouse or partner(s) to carry on the franchise unit, he or she may do so by assigning the interest to his or her spouse or to his or her partner(s) provided the remaining spouse or partner(s) has successfully completed basic management training,

b if the parties to a divorce or dissolution action agree that, despite their difficulties, they can continue to operate the franchised business jointly on a "business-as-usual" basis during the proceeding, they may do so, or

c if the parties in a divorce action or in partnership dissolution are not agreeable to operate under alternatives (a) or (b) then they must make arrangements to have their franchise business operated by a third party manager until the divorce or dissolution may be completed. The new manager must be approved by Franchisor and have satisfactorily completed basic management training, and

d divorcing parties may, after final order or judgment, continue to operate their franchise business in the form of a partnership or other business entity even though they are no longer husband-and-wife. In such case, however, they must enter a formal agreement which defines the respective rights and obligations, file a signed copy with Franchisor, assign this agreement to the new entity, and comply with all other requirements for establishing the franchise business as a partnership or other business entity.

ARTICLE 19 - RIGHT OF FIRST REFUSAL

Section 19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted herein, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal from a responsible and fully disclosed person or entity, as applicable, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only

to the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners

Section 19 2 Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any such above-referenced disclosed person or entity, as applicable. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

Section 19 3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its Right of First Refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18 2. Should the sale, assignment, conveyance, gift, pledge, mortgage, sublicense or other transfer fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor's Right of First Refusal shall renew and be implemented in accordance with this Article 19.

ARTICLE 20 - BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit 4 as Holders of a Legal or Beneficial Interest are the sole holders of a legal or beneficial interest of Franchisee, and further that

- i Representations If Franchisee is a corporation, a limited liability company or a partnership, Franchisee makes the following representations and warranties: (1) it is duly organized and validly existing under the laws of the state of its formation, (2) it is qualified to do business in the state(s) in which the Territory is located, (3) execution of this Agreement and the development and operation of the Business are permitted by its governing documents, and (4) Franchisee's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that the activities of Franchisee are limited exclusively to the development and operation of the Franchise Business and such other Franchise Businesses (if any) as Franchisor may authorize Franchisee to develop and operate,
- ii Governing Documents If Franchisee is a corporation, Franchisee represents and warrants that copies of Franchisee's Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, have been furnished to Franchisor. If Franchisee is a limited liability company, Franchisee represents and warrants that copies of Franchisee's Articles of Organization, other governing documents and any amendments, including the resolution of the Members or Managers authorizing entry into and performance of this Agreement, have been furnished to Franchisor. If Franchisee is a partnership, Franchisee represents and warrants that copies of Franchisee's written partnership agreement, other governing documents and any amendments, have been furnished to Franchisor, in addition to evidence of consent or approval of the entry into and performance of this Agreement.

by the requisite number or percentage of partners, if that approval or consent is required by Franchisee's written partnership agreement. When any of these governing documents are modified or changed, Franchisee shall provide copies to Franchisor promptly,

- iii Ownership Interests If Franchisee is a corporation, a limited liability company or a partnership, Franchisee represents and warrants that all interests in Franchisee are owned as set forth in attached Exhibit 4. In addition, if Franchisee is a corporation, Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Franchisee is a limited liability company, Franchisee shall maintain a current list of all members (and the percentage membership interest of each member). If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Franchisee shall comply with Section 22 prior to any change in ownership interests and shall execute and deliver to Franchisor addenda to Exhibit 4 as changes occur in order to ensure the information contained in Exhibit 4 is true, accurate and complete at all times.

ARTICLE 21 - RELATIONSHIP AND INDEMNIFICATION

Section 21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor. Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an independent owner of the Franchised Business operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

Section 21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisee shall do so. If Franchisee fails to do so, it shall be considered an act of Default.

Section 21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor Indemnitees from and against all losses and expenses (as defined herein) incurred in connection with any action, suit, demand, claim, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following, Franchisee's (a)

ownership or operation of the Franchised Business, (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or ruling, standard, or directive or of any industry standard, (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate), (d) libel, slander or any other form of defamation by Franchisee including defamation of Franchisor or the System, (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts or omissions by Franchisee or any of Franchisee's agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business, or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information, (g) the inaccuracy, lack of authenticity, or non-disclosure of any information by Franchisee, (h) any unapproved service provided by Franchisee at, from, or related to the operation at the Approved Location, (i) or any services provided by any affiliated or non-affiliated participating entity

For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, costs of or resulting from franchisees duties in the preparation of the purchase order regarding franchisees taking accurate measurements and representing the customer's desire for both color and type of fabric, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described Franchisee agrees to give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation The foregoing indemnification shall not apply to losses or expenses arising from our gross negligence or willful acts

At Franchisee expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek Franchisee advice and counsel and shall keep Franchisee informed with regard to any such proposed or contemplated settlement(s) Such an undertaking by us shall in no manner or form diminish Franchisee obligation to indemnify us and to hold us harmless

All losses and expenses incurred under this Section 21.3 shall be chargeable to and paid by Franchisee pursuant to Franchisee's obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense

Franchisor Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose Franchisee shall hold harmless and indemnify Franchisor Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties

Under no circumstances shall Franchisor Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnitees from Franchisee

Franchisor's right to indemnity shall exist notwithstanding the fact that joint or several liability may be imposed upon Franchisor by statute, ordinance, regulation or judicial or arbitral decision

Section 21 4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

ARTICLE 22 - GENERAL CONDITIONS AND PROVISIONS

Section 22 1 No Waiver

No failure of Franchisor to exercise any power reserved to it herein, or to insist upon strict compliance by Franchisee with any obligation or condition herein, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

Section 22 2 Injunctive Relief and Specific Performance

A breach by Franchisee of any of the restrictions or obligations contained in Articles 6, 7 and/or 17 would result in irreparable injury to Franchisor as the damages arising out of any such breach would be difficult to ascertain. Therefore, Franchisor, in its sole discretion, shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, and/or specific performance with respect to such breach without the necessity of posting security or bond, or having an evidentiary hearing, even if required by statute in the Franchisee's jurisdiction, provided that an original notarized copy of this Agreement is provided to a Court of competent jurisdiction.

Further a breach of this Agreement pursuant to Section 16 2, will result in irreparable injury to Franchisor as the damages arising out of any such breach would be difficult to ascertain, such a breach will entitle Franchisor Liquidated Damages as stated in Section 17 9.

Section 22 3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received (a) at the time delivered by hand to the recipient party (or to an officer, director, manager or partner of the recipient party), (b) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service, (c) five (5) business days after being sent by Registered Mail, return receipt requested, (d) three (3) business days after being sent via International Airmail, or

(e) on the date the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, if mailed Either party may change its address by a written notice sent in accordance with this Section 22.3 All notices, payments and reports required by this Agreement shall be sent to Franchisee at the address set forth in the introductory paragraph of this Agreement and to Franchisor at the following addresses

Face To Face Franchising, LLC
Attn: Jenny Abraham, Managing Member
3801 N. Capitol of Texas Hwy, Suite F-110
Austin, TX 78746

With a copy to

Shelton & Power, LLC
202 Walton Way, Ste 192
Cedar Park, TX 78613

Section 22.4 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit 3

Section 22.5 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for its approval and, except as otherwise specifically provided herein, any approval or consent granted shall be effective only if in writing Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval

Section 22.6 Entire Agreement

This Agreement, the Manual and the Exhibits attached hereto and thus made a part hereof and any other documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties Nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor has made in the Franchise Disclosure Document

Section 22.7 Severability and Modification

All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were severed, the remainder of this Agreement shall remain in effect and enforceable to the fullest extent permitted by law If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement If any term of this Agreement may be construed in two or more ways, one that would render the term invalid or otherwise voidable or

unenforceable and another that would render the term valid and enforceable, then that term has the meaning that renders it valid and enforceable. This Agreement shall not be waived, altered or canceled, in whole or in part, except by a writing signed by the parties.

Notwithstanding the above, each of the covenants contained in Articles 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.

Section 22.8 Construction

All captions herein or in the Exhibits attached hereto and thus made a part hereof, are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof or thereof. Should any provision of this Agreement require interpretation or construction, it is agreed by Franchisor and Franchisee the court, administrative body, mediation panel, sole mediator or other person or entity interpreting or construing this Agreement shall not apply a presumption the provisions hereof shall be more strictly construed against Franchisor by reason of the rule of construction that a document is to be construed more strictly against the person or entity who, or through its agent, prepared same.

Section 22.9 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies to Franchisor or Approved Suppliers, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

Section 22.10 Timing

Time is of the essence. Except as set forth in Section 22.9, failure to perform any act within the time required or permitted by this Agreement, shall be a material breach of this Agreement.

Section 22.11 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. Notwithstanding anything in this Agreement to the contrary, no endorsement or statement on any payment (or on any document accompanying said payment) for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction. Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

Section 22.12 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

Section 22 13 Third-Party Beneficiaries

The parties agree that all other Franchisees are third-party beneficiaries to the terms of this agreement and have the right to separately enforce the Franchisees covenants, if the Franchisor is unwilling or unable to enforce the Franchisee covenants

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement

Section 22 14 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original

Section 22 15 Survival of Terms

Each provision of Articles 17, 21, 22, 24, and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know-How and Copyrights will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise Each provision of this Agreement will be construed as independent of, and severable from, every other provision, provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement

ARTICLE 23 - DISPUTE RESOLUTION

Section 23 1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflict of laws principles) References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time References to a governmental agency also refer to any regulatory body that succeeds the function of such agency

Section 23 2 Consent to Jurisdiction

Claims for injunctive relief or specific performance, or otherwise may be brought by Franchisor (i) where Franchisee resides or does business, (ii) where the Franchised Business is, or was located or (iii) where the claim arose, and Franchisee hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this provision

Franchisee shall file any suit against Franchisor only in Williamson County, Texas, in the federal court having jurisdiction, and Franchisor hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this provision

Section 23.3 Rights and Remedies

Remedies are cumulative. No remedy in this Agreement for any party is intended to be exclusive of any other remedy. Each remedy is cumulative and is in addition to every other remedy given under this Agreement, now or later existing, at law, in equity, by statute or otherwise. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief or specific performance against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions. Franchisee's rights and remedies regarding Franchisor's breach of this Agreement are as set forth in this Agreement.

Section 23.4 Limitations of Claims

Except for claims by Franchisor for payments owed by Franchisee under this Agreement, any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action relating to the ownership of any of Franchisor's Marks, or for injunctive relief, specific performance or mediation, as set forth in this Agreement, is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

Section 23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, other than those stated within this Agreement. Franchisee waives and disclaims any right or claim to consequential damages against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's damages shall not exceed an amount greater than Franchisee's combined Franchise Fee, Gross Revenue and Royalty Fee payments.

Franchisee acknowledges that if any claim or action is begun for the enforcement of this Agreement or for any alleged dispute, breach, default or misrepresentation under any term of this Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs (including all fees and expenses incident to mediation, appellate, bankruptcy and post judgment proceedings), incurred in the action or proceeding in addition to any other relief that the party is entitled. Attorney's fees include paralegals fees, administrative costs, investigated costs, cost of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party. The non-prevailing party must reimburse the prevailing party on demand for all of the above listed expenses the prevailing party incurs.

Section 23.6 Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION WHATSOEVER, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM, INCLUDING BUT NOT LIMITED TO, RELATING TO THE OWNERSHIP OF ANY OF FRANCHISOR'S MARKS OR THE UNAUTHORIZED USE OR DISCLOSURE OF FRANCHISOR'S TRADE SECRETS OR CONFIDENTIAL INFORMATION OR FOR INJUNCTIVE RELIEF OR SPECIFIC PERFORMANCE.

Section 23.7 Mediation

Except for actions or claims for injunctive relief or specific performance or the unauthorized use or disclosure of Franchisor's Trade Secrets or Confidential Information, all claims, disputes and other matters in question between Franchisor and Franchisee arising out of or relating to this

Agreement, the business relationship or any other agreement, including whether this mediation clause is binding upon the parties, shall be resolved by non-binding mediation before the Center for Public Resources -- National Franchise Mediation Program, FAM, or another mutually agreeable mediator. Both parties agree that all claims, notwithstanding those exempted herein, will be subject to a minimum of two mediation sessions prior to either party is permitted to initiate a lawsuit. In the event either party initiates arbitration or a lawsuit prior to completing the minimum number of mediation sessions, the party agrees to pay any and all fees and expenses incurred by the non-moving party in contesting the jurisdiction of the matter with the arbitrator or court. Notwithstanding the above, the following shall not be subject to mediation:

- i disputes and controversies arising from the Sherman Act, the Clayton Act or any other Federal or state antitrust law,
- ii disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of any Confidential Information, the Proprietary Marks or any other trademarks,
- iii disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business under lease or sublease

Both parties will sign a confidentiality agreement reasonably satisfactory to Franchisor. Upon submission, the obligation to attend mediation in the county and state designated by Franchisor (currently Williamson County, Texas) is binding on both parties. Each party will bear his, her or its own costs for the mediation, except the mediation fee and the fee for the mediator will be split equally.

To initiate mediation, either Franchisor or Franchisee shall appoint one mediator and after appointment of the mediator, shall notify in writing the other of such appointment and the name of and the contact information for the mediator within three (3) business days after selection of said mediator. The mediation shall be conducted in Williamson County, Texas as directed by the sole mediator. If an agreement is reached between the parties, then the signed award of the mediator shall be final and binding upon Franchisor and Franchisee and any other party to the mediation. Judgment may be entered upon the award of the mediator in any court having competent jurisdiction.

Franchisee acknowledges it has read the terms of this non-binding mediation provision and affirms each provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

Section 23.8 Withholding Consent

In no event will Franchisee make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Franchisee's sole remedy for any such claim is to submit it to non-binding mediation as described in this Article 23.

ARTICLE 24 - ACKNOWLEDGMENTS

Section 24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document, along with any applicable state addendums and Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges it has received an exact copy of this Agreement and its Exhibits fully filled in, except for signatures, prior to the date on which this Agreement was executed. Franchisee further represents and acknowledges it has received, at least fourteen (14) calendar days prior to the date on which this Agreement was executed, the disclosure document required by the 2007 Amendment to the

Federal Trade Commission Rule entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures

Franchisee understands that Franchisor is relying on Franchisee to bring forward, in writing, at this time any matters inconsistent with any of the matters set forth in this Article 24, or otherwise, so that Franchisor can correct any misunderstandings. Franchisee agrees that if any of the statements or matters set forth in this Article 24 or otherwise are not true, correct and complete, Franchisee will make a written statement regarding such next to Franchisee's signature below so that Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

Franchisee acknowledges and agrees that in all of Franchisee's dealings with Franchisor, Franchisor's officers, directors, employees, and agents acted only in a representative capacity and not in an individual capacity. Franchisee further acknowledges that this Agreement, and all business dealings between Franchisee and such individuals as a result of this Agreement, are solely between Franchisee and Franchisor. Franchisee further represents to Franchisor, as an inducement to Franchisor's entry into this Agreement, that Franchisee has made no misrepresentations in obtaining the Franchised Business.

Section 24.2 Consultation by Franchisee

Franchisee represents it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents it has either consulted with such advisors or has deliberately declined to do so.

Section 24.3 True and Accurate Information

If the Franchisee is a Corporation, Limited Liability Company or a general or limited partnership, Franchisee warrants and represents that Franchisee is duly organized, validly existing and in good standing under the laws of the state of organizations, and that Franchisee has the power to sign, deliver and carry out this Agreement. The undersigned has taken all necessary action for proper authorization and will supply a true and accurate copy of that authorization with the Franchise Agreement. Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

Franchisee agrees that, under federal and state franchise laws and other applicable laws, Franchisor may be required to disclose name, home address and telephone number and Franchisee agrees to the disclosure of your name, home address and telephone number. Franchisee must notify Franchisor of any change in Franchisee's name, home address and telephone number within ten (10) days of the change. Franchisee releases Franchisor and its officers, directors, stockholders, agents and legal successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands, in law or in equity, or Franchisee ever had, now have, or that Franchisee later may have, from Franchisor's disclosure of your name, home address and telephone number.

Section 24.4 Risk

Franchisee represents it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in an Face to Face™ Business involves business risks and the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential

success of the business venture contemplated hereby. In addition, Franchisor makes no warranty as to Franchisee's ability to operate the Face to Face Spa in the jurisdiction where Franchisee's Face to Face franchise is to be operated. It is Franchisee's obligation to seek or obtain advice of counsel specifically on this issue. If legislation enacted by, or regulation of, any governmental body prevents Franchisee from operating a Face to Face Spa, the Franchisor is not liable for damages, nor required to indemnify Franchisee or to return any monies received from Franchisee.

Section 24.5 No Guarantee of Success

Franchisee represents and acknowledges it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. Franchisee represents and acknowledges there have been no representations by Franchisor's directors, managers, members, employees, attorneys or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

Section 24.6 No Violation of Other Agreements

Franchisee represents its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

Section 24.7 Independent Obligations

Each obligation or other provision contained in this Agreement shall be deemed and construed as a separate and independent covenant, condition and obligation of the party bound by, undertaking or making the same, and not dependent on any other provisions of this Agreement, unless expressly so provided. If any party has breached any obligation or other provision contained in this Agreement in any respect, the fact there exists another obligation or provision relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached shall not detract from or mitigate the fact the party is in breach of the first obligation or other provision contained in this Agreement.

Section 24.8 Gender

Whenever the context of this Agreement requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural.

Section 24.9 Duty of Good Faith and Fair Dealing

This Agreement imposes upon both parties a Duty of Good Faith and Fair Dealing in performance of this Agreement. "Good Faith and Fair Dealing" means honesty in fact and the observance of reasonable standards of fair dealing in the Face to Face industry.

Section 24.10 Franchisor's Business Judgment

The parties recognize, and any mediator or judge is affirmatively advised that certain provisions of this Agreement describes the right of Franchisor to take (or refrain from taking) certain actions in its sole discretion, and other actions in the exercise of its reasonable business judgment. Where this Agreement expressly requires that Franchisor make a decision based upon Franchisor's reasonable business judgment, Franchisor is required to evaluate the overall best interests of all Face to Face Spas and Franchisor's own business interests. If Franchisor makes a decision based upon its reasonable business judgment, neither a mediator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor. The fact that a mediator or judge might reach a different decision than the one made by Franchisor is not a basis for finding that Franchisor made its decision without the exercise of reasonable business judgment. Franchisor's duty to exercise reasonable

business judgment in making certain decisions does not restrict or limit Franchisor's right under this Agreement to make other decisions based entirely on Franchisor's sole discretion as permitted by this Agreement. Franchisor sole discretion means that Franchisor may consider any set of facts or circumstances that it deems relevant in rendering a decision.

[THIS AREA IS INTENTIONALLY LEFT BLANK]

Even though this Agreement contains provisions requiring Franchisee to operate the Business and the Franchised Business in compliance with the System (1) Franchisor does not have authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions, and (2) Franchisee and Franchisor do not intend for Franchisor to incur any liability to third parties in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the Manuals

Nothing in this Agreement or any related Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document The submission of this Agreement to Franchisee does not constitute an offer to Franchisee, and this Agreement shall become effective only upon execution by Franchisor and Franchisee

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date

FRANCHISOR
FACE TO FACE FRANCHISING, LLC

By _____

Name Jenny Abraham

Title Managing Member

FRANCHISEE

By _____

Name _____

Title _____

[or, if an individual]

Signed _____

Name printed _____

FRANCHISE AGREEMENT ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, _____ who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____

My Commission Expires

sign _____

print _____

Personally Known ____ OR Produced Identification ____

Type of Identification Produced _____

FRANCHISE AGREEMENT ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, Jenny Abraham, who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____

My Commission Expires

sign _____

print _____

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____
by _____, ("RELEASOR") an
individual/corporation/ limited liability company/partnership with a principal address of _____
_____, in consideration of

- ☐ the execution by Face To Face Franchising, LLC ("RELEASEE") of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE, or
- ☐ RELEASEE'S consent to RELEASOR'S transfer or assignment of its rights and duties under the Franchise Agreement, or
- ☐ RELEASEE'S consent to RELEASOR'S transfer or assignment of its ownership of all or any part of the Franchise, or
- ☐ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement, or
- ☐ RELEASEE'S consent to termination of the Franchise Agreement, or
- ☐ RELEASEE'S refund of _____ RELEASOR paid to RELEASEE,

and other good and valuable consideration, and accordingly

RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, managers, agents, legal representatives, attorneys, shareholders, members, partners, owners and employees (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, arbitrations, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise, the Franchised Business (as defined in the Franchise Agreement) or the Franchise Agreement, including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and

RELEASEE hereby releases and discharges RELEASOR, RELEASOR'S officers, directors, managers, agents, legal representatives, attorneys, shareholders, members, partners, owners and employees (in their corporate and individual capacities), and RELEASOR'S successors and assigns, from any and all causes of action, suits, arbitrations, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASEE and RELEASEE'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise, the Franchised Business (as defined in the Franchise Agreement) or the Franchise Agreement, including, without limitation, claims arising under federal, state or local laws, rules or ordinances

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written

RELEASOR _____
(type/print name)

By _____

Name _____

Title _____

(or, if an individual)

Signed _____

Name printed _____

RELEASEE Face To Face Franchising, LLC

By _____

Name Jenny Abraham

Title Managing Member

GENERAL RELEASE ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20____ before me personally came _____, known to me to be the same person whose name is signed to the foregoing General Release, and acknowledged the execution thereof for the uses and purposes therein set forth, [and who did swear and say that he/she is the _____ (title) of _____ (company name), and he/she has the authority to execute said General Release]

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Notary Public

My Commission expires

(NOTARIAL SEAL)

GENERAL RELEASE ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, Jenny Abraham, who personally appeared before me at the time of notarization

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Notary Public

My Commission expires

(NOTARIAL SEAL)

EXHIBIT 2 TO THE FRANCHISE AGREEMENT

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") made as of the ____ day of _____, 20____, (the "Effective Date") is by and between _____, ("Franchisee") and _____ ("Individual")

WITNESSETH

WHEREAS, Franchisee is a party to that certain Face To Face Franchising, LLC Franchise Agreement ("Franchise Agreement") by and between Franchisee and Face To Face Franchising, LLC ("Company"), and

WHEREAS, Franchisee desires Individual to have access to or to review certain Trade Secrets and other Confidential Information of the Company, which are more particularly described below, and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to Company's Trade Secrets and other Confidential Information, and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party, including any Covered Person or using such Trade Secrets or other Confidential Information to compete against Company, Franchisee or any other franchisee of Company in a Competitive Business now or in the future

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows

1 Recitals

The above preamble and recitals are true and correct and incorporated into this Agreement

2 Trade Secrets

Individual understands Franchisee possesses and will possess the Company's Trade Secrets, which is important to its business. For purposes of this Agreement, "Trade Secrets" is information, without regard to form including, but not limited to, technical or non-technical data, know-how, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, pro-formas, strategic plans, product plans, project plans, blueprints, lists of actual or potential customers or suppliers which are not commonly known by or available to the public and which information (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Individual understands Franchisee's providing of access to the Trade Secrets creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets

3 Confidential Information

For purposes of this Agreement, "Confidential Information" means technical and non-technical information and know-how used in or related to the Face to Face Spa and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by the Company. Confidential Information shall not include, however, any information established by documentary evidence that (a) is now or subsequently becomes generally available to the public through no fault of the Individual, (b) the Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement, (c) is independently developed without the use of any Confidential Information, or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information,

4 Confidentiality/Non-Disclosure

a) Individual shall not whether in person, in writing, through the Internet or online through Social Media sites and/or applications communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any of the Company's Trade Secrets or Confidential Information

b) Individual's obligations under paragraph 4(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee as an employee, agent, officer, director, executive, manager or member of Franchisee or a holder of a legal or beneficial interest in Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Individual shall (and Franchisee is entitled to) communicate Individual's obligations under this Agreement to any future customer or employer of Individual to the extent deemed necessary by Franchisee for protection of Franchisee's rights and obligations herein

5 Non-Competition

a) Individual agrees that for the period the Individual has a relationship with Franchisee and the period of two (2) years after the Individual no longer has a relationship with Franchisee and has ceased engaging in the conduct stated below, Individual shall not, directly or indirectly, own an interest in, manage, operate, provide services to, carry on, be engaged in or take part in, or share in the earnings of any Competitive Business anywhere within (1) the greater of (i) thirty (30) mile radius of Franchisee's Approved Location as described in the Franchise Agreement, or (ii) the Protected Territory, as detailed in Section 2.5 of the Franchise Agreement, also described as follows

_____, and (2) thirty (30) mile radius of any Face to Face Spa wherever located in existence at the time of termination of the relationship with Franchisee, without the express written consent of Franchisee. Further, the Individual agrees for the period the Individual has a relationship with Franchisee and the period of two (2) years after the Individual no longer has a relationship with Franchisee, the Individual shall not divert or attempt to divert any customer, employee or other business associate of Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other franchisee to any Competitive Business or solicit or otherwise attempt to induce or influence (by direct or indirect means) any customer, employee or other business associate of Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other franchisee to terminate or modify their business relationship with Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other franchisee

b) "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) esthetician, facials, medi spa, chemical peels, botox or filler services the same as or similar to those provided by Face to Face™ Spas or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees or any business which grants franchises or licenses to others to operate such a business, other than a Face to Face Spa operated under a franchise agreement with Franchisor, provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a franchise agreement with Franchisor, (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest, (c) or any business operated by Franchisee or its Affiliate(s) that has been disclosed, in writing, to Franchisor prior to the Effective Date of this Agreement

c) Except as set forth in paragraph 5 a), "Affiliate" means any business entity that controls, is controlled by, or is under common control with Individual

6 Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties

b) The Company reserves the right to reduce the scope of the obligations under the covenants contained in Articles 7 and 17 of the Franchise Agreement unilaterally and without the consent of any other person or entities effective upon giving notice thereof

c) If all or any portion(s) of any provision(s) of this Agreement are held to be invalid, unreasonable, illegal or unenforceable under applicable law, such invalid, unreasonable, illegal or unenforceable portion(s) of any provision(s) shall be amended, limited or excluded from this Agreement to the minimum extent required by applicable law so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms

d) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns, Face To Face Franchising, LLC and the trademark owners Face to Face Spa, LLC

e) Individual shall reimburse Franchisee or Company for any and all costs and attorney fees incurred by Franchisee or Company in the enforcement of the terms of this Agreement

f) The failure of either party to insist in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. Whenever the context of this Agreement requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural. Capitalized terms not herein defined shall have the meaning set forth in the Franchise Agreement

h) The Company shall be a third-party beneficiary of this Agreement

i) If individual violates this Agreement and competes with Franchisor, its Assigns, or any Franchisees, Franchisor has the right to require that all sales made by the competitive business are reported to Franchisor. You will also pay to Franchisor, without demand, a fee of \$20,000 per breach without being deemed to revive or modify this Agreement. These payments are liquidated damages to compensate Franchisor for its damages from your violation of this covenant not to compete and are not a penalty. You agree that the length of time and geographical restrictions contained in this Agreement are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You agree that your full, uninhibited and faithful observance of each of the covenants in this section will not cause any undue hardship financial or otherwise and that the enforcement of each of these covenants in this section will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you or otherwise to obtain income required for the comfortable support of yourself and your family and the satisfaction of your creditors. You agree that your special knowledge of the business of a Face to Face franchise would cause us and our franchisees serious injury and loss if you, or anyone acquiring this knowledge through you, were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or any of our other Franchisees.

j) if any court finally holds that the time or territory or any other provision in this Section is an unreasonable restriction upon you, you agree that the provisions of this Agreement are not rendered void, but apply as to time and territory or to any other extent as the court may judicially determine or indicate is a reasonable restriction under the circumstances involved.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

IN WITNESS WHEREOF, Franchisee has caused this Agreement to be executed by its duly authorized officer, manager or executive and Individual has executed this Agreement, all being done in triplicate originals with one (1) original being delivered to each party and Company as of the Effective Date.

WITNESS

Franchisee

By _____

Its _____

Individual

Signature _____

Printed Name _____

EXHIBIT 3 TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this day of _____, 20____, by_____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by Face To Face Franchising, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, such as those contemplated by Articles 7 and 17 of the Agreement. Each of the undersigned waives (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed, (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability, and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that (a) his direct and immediate liability under this Guaranty shall be joint and several, (b) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person, and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned further consents and agrees he shall be a party to any of the actions or claims between Franchisor and Franchisee for injunctive relief or specific performance or relating to the ownership of any of Franchisor's Marks or the unauthorized use or disclosure of Franchisor's Trade Secrets or Confidential Information, or which are to be resolved by non-binding mediation as set forth in the Agreement. Each of the undersigned also agrees to be personally bound by the waiver of jury trial as set forth in Section 23.6 of the Agreement.

Whenever the context of this Guaranty requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural.

Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by each of the undersigned, intending to be legally bound hereby, on the date set forth in the introductory paragraph of this Guaranty.

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

*** Note All Owners with 5% interest in the legal entity or more must fill this page out**

EXHIBIT 4 TO THE FRANCHISE AGREEMENT

**HOLDERS OF 5% OR MORE LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE, OFFICERS, DIRECTORS AND MANAGERS**

Holders of Legal or Beneficial Interest

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Officers, Directors and Managers

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDUMS

TO AVOID DUPLICATION IN THE FRANCHISE DISCLOSURE DOCUMENT THESE ARE
LOCATED

AT EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

ON THE EXECUTION COPY THE APPLICABLE STATE ADDENDUM WILL BE

LOCATED AT THIS EXHIBIT 5 TO THE FRANCHISE AGREEMENT

**EXHIBIT 6
TO THE FRANCHISE AGREEMENT
MARKS**

Franchisee has the right to operate a Franchise Business exclusively under the trade name and service mark "Face to Face Spa" and under any other trade names, trademarks, service marks, logotypes, or other commercial symbols (the "Marks") currently authorized for use or that Face To Face may later authorize for use in the operation of Franchise Business under the System Franchisor's Affiliate, Face To Face Spa, LLC, is the sole and exclusive owners and licensor of all right, title, and interest in the Mark(s) The following Mark(s) are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") All necessary renewal applications have been filed with respect to the following Mark

CLASS AND DATE	REGISTRATION NUMBER	DESCRIPTION
1 International Class 100, 101, 102 Filing Date 12/23/2013	46-86979	"FACETOFACE SPA"
2 International Class 100, 101, 102 Filing Date 6/10/2014	Serial Number 86-425435	 FACE TO FACE SPA PROMOTING SKIN HEALTH AND BEAUTY

No state registrations of any of the Federal Marks have been applied for or granted

Franchisor, as licensee to all right, title and interest to the Marks, except as described above, claims common law rights to the Marks and trade dress including product names, business advertising materials and photographs All necessary renewal applications have been filed with respect to the federal and state registrations Franchisee is authorized to use the Marks appearing above, and each Mark subsequently developed and designated by Franchisor, in the operation of Franchisee's Business

Franchisor's Affiliate, Face to Face Spa, LLC, has granted Franchisor a license to use and sublicense to use the above-mentioned Marks, dated June 1, 2014 The term of the license is for 99 years, however, the license agreement may be terminated if we take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if we wind up, sell, consolidate or merge our business, or if we breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach Additionally, within the license agreement, the term "Marks" shall include any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or hereafter adopted by Face to Face Spa, LLC that are used in connection with the System Thus, this license agreement licensed to us any future trademarks acquired by Face to Face Spa, LLC as well

Franchisor may change or modify the System presently identified by the Marks, including the adoption and use of new or modified trade names, service marks, trademarks or copyrighted materials, new programs or systems for the Franchise Business, new product lines, new employee training, new equipment or new techniques and Franchisee must accept, use and display those changes in the System, as if they were part of the Franchise Agreement at the time of its signing Franchisee will make the changes at Franchisee's expense except that Franchisor will reimburse Franchisee for Franchisee's cost of replacing the exterior signage only

MARK USE GUIDELINES

Proper use of a mark involves some basic rules which center around ensuring that the mark is recognized by the public as an indication of single source and is distinguished from the mere name of a product or service

Although these rules will vary somewhat for different types of marks and use situations, the recommended guidelines are presented below. Franchisor may modify such guidelines and impose additional restrictions with respect to such Marks in its sole discretion.

Use the mark only as a proper adjective followed by a noun, and not as a possessive, a description (noun), a plural or a verb. Make sure that the symbol "TM" (designating trademark used to indicate source of products) or "SM" (designating service mark used to indicate source of services), or TM designating use of a federally registered Mark, as appropriate, prominently appears at least once in close association with the mark.

Make the mark stand out from the rest of the text (bolder type, ALL CAPS, *italics*, underline, etc.)

Avoid variations in spelling or display. By way of example, the following is proper:

Face to Face SpaTM
Face to Face SpaTM salon

The following is not proper:

Take your business to Face to Face Spa (noun, no special typography, no service mark indication)

There are numerous Face to Face Spas around the country (noun, plural, no special typography, variation, no service mark symbol)

Face to Face Spas services (possessive, variation, no service mark symbol)

It is not necessary that the TM be used so often as to become obtrusive, once or twice in a short document is enough. When it is not obvious from the text, it is important that a legend indicating ownership of the marks appears somewhere reasonably visible on the document, namely, Face to Face SpaTM (and design) are trademarks and service marks of Face to Face Spa, LLC.

EXHIBIT 7
TO THE FRANCHISE AGREEMENT
FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Face To Face Franchising, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, Face To Face Franchising, LLC will be referred to as "Face to Face," "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading.

Prospective Franchisee acknowledges	Date	Initials
Date you received FDD	/	_____
Date of your first face-to-face meeting with a Face to Face representative for the purpose of discussing the sale or possible sale of a franchise	/	_____
Date you received the Franchise Agreement with all blanks filled in except signatures	/	_____
Date you received a copy of any addendum or additional documents, if any, with all blanks filled in except signatures	/	_____
Date you signed the Franchise Agreement	/	_____
Date you signed any addendum or additional documents	/	_____
Earliest date you delivered a check or money to Face to Face or its representative	/	_____

Other than what was contained in the FDD, or consistent with the information contained in the FDD, You were not given information by Face To Face Franchising, LLC, or its or their sales representative regarding the following

	True	False	Initials
Actual sales or profits of other units	☐	☐	_____
Average sales or profit figures	☐	☐	_____
Projections as to how much money a franchisee could make	☐	☐	_____
Projections as to the level of sales a franchisee could make	☐	☐	_____

If you answered "false" to any of the above questions, please explain your answer below

ACKNOWLEDGMENT REGARDING OWNERSHIP OR OTHER INTEREST

Acknowledgment Regarding Controlling Persons Franchisee hereby acknowledges that Franchise Owner is a(n)

_____ Individual _____ Corporation
_____ Partnership _____ Limited Liability Company
_____ Joint Venture _____ Other business form _____ (describe)

Franchise Owner hereby warrants and represents that the following persons own, either legally or beneficially, voting control of Franchise Owner

NAME	TYPE OF OWNERSHIP (LEGAL OR BENEFICIAL)	PERCENTAGE OF INTEREST OWNED
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please review each of the following questions carefully and provide honest and complete responses to each question

1 Have you received and personally reviewed Face To Face Franchising, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?
Yes ___ No ___

2 Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
Yes ___ No ___

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

3 You relied on the financial condition of a parent or affiliated company in determining whether to enter into this Agreement
Yes ___ No ___

4 Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ___ No ___

5 Do you understand all of the information contained in the Franchise Disclosure Document?
Yes ___ No ___

If "No", what parts of the Franchise Disclosure Document do you not understand?
(Attach additional pages, if necessary)

- 6 Have you discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ___ No ___
- 7 Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes ___ No ___
- 8 Other than what was contained in Item 19 of FDD, or collateral marketing pieces consistent with the information contained in Item 19 of the FDD, has any employee or other person speaking on our behalf made any statement or promise inconsistent with Item 19 of the FDD, concerning the revenues, profits or operating costs of the Franchised Business that we or our franchisees operate?
Yes ___ No ___
- 9 Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No ___
- 10 Other than what was contained in Item 19 of the FDD has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?
Yes ___ No ___
- 11 Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No ___
- 12 If you have answered "Yes" to any of questions 8 through 11, please provide a full explanation of your answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered "No" to each of such questions, please leave the following lines blank

- 13 Do you understand that in all dealings with you, our officers, managers, members, directors, attorneys, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?
Yes ___ No ___

You understand that your answers are important to us and that we will rely on them

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions. You acknowledge that Face to Face, LLC is relying on the accuracy of the above information, and that the information set forth above is true and correct. (The following persons must sign: each person who owns 5% or more of a corporation or limited liability company, each partner, or sole proprietor.)

Print Name _____
Title President
SSN# _____

Print Name _____
Title Vice-President
SSN# _____

Print Name _____
Title _____
SSN# _____

EXHIBIT 8
TO THE FRANCHISE AGREEMENT
AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name **Face To Face Franchising, LLC**

I(We) hereby authorize Face To Face Franchising, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U S Law, and that I will be responsible for any banking fees that my institution charges

Financial Institution Name _____ Branch _____

City _____ State _____ Zip _____ Phone _____

ACH/Routing Number _____ Account Number _____
(Must be Nine Digits)

This authorization is to remain in full force and effect until the Franchisor has received written notification from me I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 3 and 11 of the Franchise Agreement

Print Franchisee / Account Holder Name

Print Franchisee/ Co-Account Holder Name

Franchisee/ Account Holder Signature Date

Franchisee/ Co-Account Holder Signature Date

Daytime Phone Number

Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to Face To Face Franchising, LLC
3801 N Capitol of Texas Hwy , Suite F-110
Austin, TX 78746
Phone # (800) 797-1345

EXHIBIT 9
TO THE FRANCHISE AGREEMENT
TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

FOR VALUE RECEIVED, the undersigned ("Franchisee") irrevocably assigns the telephone listing and numbers stated below and any successor, changed or replacement number or numbers effective upon the date of termination of the Franchise Agreement described below to Face To Face Franchising, LLC ("Franchisor"), upon the following terms

1 This assignment is made under the terms of the Face To Face Franchising, LLC Franchise Agreement dated _____ authorizing Franchisee to do business as "Face to Face Spa" (the "Franchise Agreement"), which in part pertains to the telephone listing and numbers the Franchisee uses in the operation of the Franchised Business covered by the Franchise Agreement

2 Franchisee retains the limited right to use the telephone listing and numbers only for transactions and advertising under the Franchise Agreement while the Franchise Agreement between Franchisor and Franchisee remains in full force, but upon termination or expiration of the Franchise Agreement, Franchisee's limited right to use of the telephone listing and numbers also terminates. In this event, Franchisee agrees to immediately discontinue use of all listings and numbers. At Franchisor request, Franchisee will immediately sign all documents, pay all monies, and take all other action necessary to transfer the listings and numbers to Franchisor.

3 The telephone numbers and affiliated listings subject to this assignment are _____ Franchisee shall provide Franchisor with all numbers on the rotary series and all numbers the Franchisee uses in the Franchised Business in the future within five (5) business days of creation of that number.

4 Franchisee shall pay all amounts owed for the use of the telephone numbers and affiliated listings Franchisee incurs. On termination or expiration of the Franchise Agreement, Franchisee shall immediately pay all amounts owed for the listings and telephone numbers, whether or not due, including all sums owed under existing contracts for telephone directory or online advertising.

5 Franchisee appoints Franchisor as Franchisee's Attorney-In-Fact to act in Franchisee's place for the purpose of assigning any telephone number covered by Paragraph 3 above to Franchisor or Franchisor's designees or Transferees. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the numbers, and ratifies every act that Franchisor lawfully performs in exercising those powers.

This power of attorney is effective for five (5) years from the date of expiration, cancellation or termination of Franchisee's rights under the Franchise Agreement for any reason.

Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by Franchisee's later incapacity. This power is created to secure performance of a duty to Franchisor and is for consideration.

THE PARTIES have caused this Agreement to be duly signed as evidenced by their signatures appearing below.

FRANCHISEE EACH OF THE BELOW PERSONS AGREES TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT, IN BOTH INDIVIDUAL AND REPRESENTATIVE CAPACITIES

Signed the ____ day of _____, 20__

PRESIDENT / MANAGING MEMBER

VICE-PRESIDENT / CO-MEMBER

Personally and Individually (Printed Name)

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Personally and Individually (Signature)

In your Representative Capacity (Printed Name)

In your Representative Capacity (Printed Name)

In your Representative Capacity (Signature)

In your Representative Capacity (Signature)

EXHIBIT 10
TO THE FRANCHISE AGREEMENT
CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT is entered into on {Date} between **FACE TO FACE FRANCHISING, LLC**, a Texas Limited Liability Company ("Franchisor") and {FRANCHISEE NAME}, a {State of Inc} corporation ("Franchisee") In consideration of the Face to Face franchise granted to Franchisee by Franchisor pursuant to that certain Face to Face Franchise Agreement dated {Date} (the "Franchise Agreement") and/or the extension of credit by Franchisor or its Affiliates to Franchisee, and other good and valuable consideration, Franchisor, Franchisor's Affiliate and Franchisee agree as follows

1 DEFINITIONS In this Agreement

A The term "**Obligations**" refers to the following obligations that are secured by this Agreement

- (1) all amounts owed by Franchisee to Franchisor and its affiliates from time to time under the Franchise Agreement or any other agreement between Franchisee and Franchisor or any of its affiliates,
- (2) all amounts owed by Franchisee to Franchisor from time to time arising from the purchase of products and services by Franchisee from Franchisor,
- (3) all costs incurred by Franchisor to obtain, preserve, perfect, and enforce this Agreement and the security interest granted herein, to collect the Obligations, and to maintain, preserve, collect, and secure the Collateral (as defined below), including, but not limited to, repairs, replacements, taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale,
- (4) all other debts, obligations, liabilities, and agreements of Franchisee to Franchisor now or hereafter arising, absolute or contingent, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, direct or indirect, and
- (5) interest on the above amounts at a per annum rate of interest equal to eight percent (8%)

B The term "**Collateral**" refers to the following property of Franchisee

- (1) all products in Franchisee possession whether sold by Franchisor or an Affiliate or not,
- (2) all other assets and collateral, including inventory, equipment, goods, fixtures, of Franchisee whenever acquired, wherever located, and whether now or hereafter existing which is acquired by Franchisee pursuant to or in connection with the business conducted under the Franchise Agreement,
- (3) all accessions, attachments, and other additions to, substitutes for, replacements for, and improvements to the foregoing,
- (4) all documents, contract rights, instruments, accounts, general intangibles, and chattel paper, now existing or hereafter arising, with respect to the sale, lease, or consignment of any of the foregoing,

(5) all policies of insurance covering the foregoing, and

(6) all proceeds of any of the foregoing

C All other capitalized terms used herein but not defined above shall have the same meaning as in the Franchise Agreement

2 SECURITY INTEREST

Subject to the terms of this Agreement, Franchisee assigns and grants to Franchisor a security interest and lien on the Collateral to secure the payment and the performance of the Obligations. Franchisor will have the right to file a UCC-1 form on all items of security, as well as, filing a construction or mechanic's lien, whichever is applicable in the jurisdiction, on the Collateral until such time that Franchisor has been paid in full for the Collateral.

3 INVENTORY LOCATION

A Franchisee represents and warrants to Franchisor as follows

(1) Franchisee's principal place(s) of business is/are (include City, County, State)

{Address}, {County}, {State}

(2) The Collateral will be kept at Franchisee's principal place(s) of business or the project location or ship to address for the project being designed and ordered for

(3) The office where Franchisee keeps the records concerning accounts and contract rights is in {City}, {County}, {State}

B Franchisee will promptly notify Franchisor of any addition to, change in, or discontinuance of any address of Franchisee, place or places where Collateral is kept, Franchisee's principal place of business, or location of the office where records concerning accounts and contract rights are kept

4 RECORDS AND INSPECTIONS

Franchisee at all times will maintain reasonable, current and accurate books and records covering the Collateral. From time to time upon the request of Franchisor, Franchisee shall deliver detailed descriptions and lists of the items included in the Collateral, as well as such other reports and information deemed by Franchisor to be necessary or appropriate to enable Franchisor to determine the value and location of the Collateral. Franchisor and its agents and representatives may inspect the Collateral and Franchisee's records with respect to the Collateral during normal business hours.

5 TITLE

At the time Franchisee grants to Franchisor a security interest in any Collateral, Franchisee shall be the absolute owner thereof and shall have the right to grant such security interest. Franchisee shall defend the Collateral against all claims and demands of all persons at any time claiming any interest in any of the Collateral that is adverse to Franchisor. Franchisee shall keep the Collateral free from all liens, claims, and security interests, except as to any applicable personal property taxes not yet due and the security interest created hereby.

6 FINANCING STATEMENTS

A Franchisee warrants that no financing statement covering the Collateral is or will be on file in any public office, except the financing statements relating to the security interest granted to Franchisor herein

B Franchisee shall sign all financing statements and any other papers furnished by Franchisor that are necessary in the judgment of Franchisor to obtain, maintain, and perfect the security interest granted herein and to enable Franchisor to comply with any federal or state law in order to obtain or perfect Franchisor's interest in the Collateral or to obtain the proceeds of any Collateral

7 TAXES AND INSURANCE

A Franchisee will pay when due all taxes and assessments on or with respect to the Collateral for its use, operation, and maintenance

B Franchisee shall insure the Collateral with companies acceptable to Franchisor against such casualties and in such amounts as Franchisor shall require. All insurance policies shall be written for the benefit of Franchisee, and Franchisor as their interests may appear, or in other form satisfactory to Franchisor, and such policies or certificates evidencing the same shall be furnished to Franchisor. All policies of insurance shall provide for written notice to Face to Face at least thirty (30) days prior to cancellation. Risk of loss or damage is Franchisee's to the extent of any deficiency in any effective insurance coverage. Franchisor is appointed Franchisee's attorney-in-fact to collect any returned or unearned premiums or the proceeds of such insurance and to endorse any draft or check payable to Franchisee therefor, and Franchisor may apply such sums to the Obligations secured herein in such order and in such manner as Franchisor in its sole discretion shall decide

8 PROTECTION OF COLLATERAL

A Franchisee will keep the Collateral in good order and repair and will not waste or destroy Collateral or any part or proceeds thereof

B Franchisee appoints Franchisor as Franchisee's attorney-in-fact with full power in Franchisee's name and on Franchisee's behalf to do every act that Franchisee is obligated or allowed to do hereunder, and to exercise all rights of Franchisee with regard to the Collateral and to make collections and to execute any and all papers and instruments and to do all other things necessary to preserve and protect the Collateral and to protect Franchisor's security interest in the Collateral, provided, however, that nothing in this Section 8 B shall be construed to obligate Franchisor to take any action hereunder. In their sole discretion, Franchisor may undertake to perform any covenants, warranties, or actions required of Franchisee hereunder, to make payments required of Franchisee hereunder, or to pay for the repair, maintenance, and preservation of the Collateral. All sums and costs so expended, including, but not limited to, attorneys' fees, court costs, agent's fees, and commissions, shall bear interest from the date of expenditure until paid at the maximum rate of interest allowed by applicable law. All amounts due under this Section 8 B are secured by this Agreement and shall be payable to Franchisor at its address indicated in the Franchise Agreement

9 PAYMENT

A Franchisee shall make all payments required under the Note or any other agreement with Franchisor and their affiliates in the manner and within the time period provided in the Note and such other agreements

B If Franchisor in its sole discretion makes any payments pursuant to Section 1 B(4) or Section 8 hereof, or makes any payments on behalf of Franchisee to suppliers or any other parties, Franchisee agrees to pay to the order of Franchisor the amount so expended within ten (10) days after Franchisor gives notice of such expenditure to Franchisee

C Upon default hereunder or expiration or sooner termination of the Franchise Agreement, Franchisee agrees to pay to the order of Franchisor all amounts outstanding under the Obligations immediately upon the giving of notice by Franchisor to Franchisee

10 DEFAULT

The following are events of default hereunder

A default in the timely payment of the Obligations or any part thereof, or

B default in the timely performance or observance of the terms and conditions of this Agreement, the Franchise Agreement, or of any other agreement between Franchisee and Franchisor or its affiliates , or

C the occurrence of any event or condition that results in the termination of, or constitutes grounds for the termination of, the Franchise Agreement, or would so result if not prevented by applicable law or

D any warranty, representation, or statement made or furnished to Franchisor herein, heretofore, or hereafter proves to have been false in any material respect when made or furnished , or

E loss, theft, destruction, or encumbrance of any of the Collateral in violation hereof, or

F sale or transfer of any of the Collateral, except for the sale of inventory in the ordinary course of Franchisee's business, or

G belief by Franchisor that the prospect of payment of the Obligations or performance of this Agreement or of any of the Obligations is impaired, or

H death, incapacity, dissolution, merger, consolidation, termination of existence, insolvency, or business failure of Franchisee or of any other person or entity liable on any of the Obligations, or

I commencement of proceedings for the appointment of a receiver for any property of Franchisee, or

J commencement of any proceeding under any bankruptcy or insolvency law by or against Franchisee (or any corporate action shall be taken to effect same), or any partnership of which Franchisee is a partner, or by or against any person or entity liable upon the Obligations or any part thereof, or liable upon Collateral, or

K levy on, seizure, or attachment of any property of Franchisee, or

L a judgment against Franchisee becomes final and remains unpaid for thirty (30) days

11 REMEDIES

A When an event of default occurs, and at any time thereafter, Franchisor without notice or demand, may exercise any one or more of the following remedies

(1) declare one or more of the Obligations, in whole or in part, immediately due and may enforce payment of the same,

(2) exercise all rights and remedies provided by this Agreement, by the Franchise Agreement, by Franchisor's state Business and Commerce Code, or by the Uniform Commercial Code or other law or regulation regulating secured transactions of any other applicable jurisdiction, and

(3) require Franchisee to assemble the Collateral and make it available at a place to be designated by Franchisor that is reasonably convenient to Franchisee

B Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be given by Franchisor to Franchisee. It is agreed that notice sent or given not less than five (5) calendar days prior to the taking of the action to which the notice relates, or such longer period of time as is required by applicable law, is reasonable notification and notice for the purposes of this Section 11 B

C Expenses or retaking, holding, preparing for sale or lease, selling, leasing, and the like shall include Franchisor's reasonable attorneys' fees and legal expenses

D Franchisor may surrender any insurance policies upon any of the Collateral and receive the unearned premium thereon. Franchisee shall be entitled to any surplus and shall be liable to Franchisor for any deficiency. The proceeds of any disposition after default available to satisfy the Obligations shall be applied to the Obligations in such order and in such manner as Franchisor in its sole discretion shall decide

12 MISCELLANEOUS

A Franchisor shall have the right at any time to execute and file this Agreement as a financing statement, but the failure to do so shall not impair the validity or enforceability of this Agreement

B The parties hereto do not intend to contract for, charge, or receive any interest or other charge that is usurious, and by execution of this Agreement Franchisee acknowledges that Franchisor has no such intent. In no event whatsoever, whether by reason of acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to Franchisor for the use, forbearance, or detention of the money to be due hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing, or pertaining to any of the Obligations (all such other documents being hereinafter called the "Loan Documents"), exceed the maximum interest rate allowed by the laws of any applicable jurisdiction (hereinafter called the "Maximum Rate"). If, from any circumstance whatsoever, fulfillment of any provisions hereof or of the Loan Documents, at the time performance of such provisions shall be due, shall result in the interest to be paid exceeding the Maximum Rate, then such provisions shall be modified so that the rate of interest shall be reduced to the Maximum Rate, and if from any such circumstance Franchisor ever shall receive as interest or otherwise an amount that would cause the Maximum Rate to be exceeded, the portion of such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder or on account of any other principal indebtedness of Franchisee to Franchisor and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof and such other indebtedness, such excess shall be refunded to Franchisee. All sums paid and agreed to be paid to Franchisor for the use, forbearance, or detention of the indebtedness of Franchisee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the

whole term of such indebtedness so that the actual rate of interest on account of such indebtedness is uniform throughout the term thereof. The terms and provisions of this paragraph shall control and supersede any other provision of this Agreement or the Loan Documents.

C All rights and remedies of Franchisor hereunder are cumulative of each other and of every other right or remedy that Franchisor otherwise may have at law or in equity or under any other contract or document for the enforcement of the security interest granted herein or the collection of the Obligations, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

D Should any part of the Obligations be payable in installments, the acceptance by Franchisor at any time and from time to time of part payment of the aggregate amount of all installments then matured shall not be deemed to be a waiver of the default then existing. No waiver by Franchisor of any default shall be deemed to be a waiver of any other subsequent default, nor shall any such waiver by Franchisor be deemed to be a continuing waiver. No delay or omission by Franchisor in exercising any right or power hereunder, or under any other documents executed by Franchisee as security for or in connection with the Obligations, shall impair any such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such right or power preclude other or further exercise thereof or the exercise of any other right or power of Franchisor hereunder or under such other document.

E Except as otherwise provided herein, Franchisee waives notice of the creation, advance, increase, existence, extension, or renewal of, or of any indulgence with respect to, the Obligations, waives presentment, demand, notice of dishonor, and protest, waives notice of the amount of the Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof, notice of any event of default, notice of intent to accelerate and of acceleration, and all other notices with respect to the Obligations, and agrees that maturity of the Obligations and any part thereof may be accelerated, extended, or renewed one or more times by Franchisor in its discretion, without notice to Franchisee.

F No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person (including any maker, endorser, guarantor, or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefore or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of Franchisor under the law, hereunder, or under any other agreement pertaining to the Collateral. Franchisor need not file suit or assert a claim for personal judgment against any person for any part of the Obligations or seek to realize upon any other security for the Obligations before foreclosing upon the Collateral for the purpose of paying the Obligations. Franchisee waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that Franchisor shall have no duty or obligation to Franchisee to apply to the Obligations any such other security or proceeds thereof.

G This Agreement shall be binding on Franchisee and Franchisee's heirs, executors, administrators, other legal representatives, successors, and assigns and shall inure to the benefit of Franchisor and its successors and assigns. If there be more than one operating principal of Franchisee, their obligations and agreements hereunder are joint and several and shall be binding upon their respective heirs, executors, administrators, other legal representatives, successors, and assigns, and delivery or other accounting of Collateral to any one or more of them shall discharge Franchisor of all liability therefore.

H This Agreement shall not become effective until the Franchise Agreement is approved in writing by a corporate officer of Franchisor, whereupon this Agreement shall be effective as of the day and year first above written

I All demands and notices required or permitted hereunder shall be given in the same manner as provided in the Franchise Agreement

J If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, such provision shall be fully severable, and this Credit and Security Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof and the remaining provisions of this Credit and Security Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or its severance from this Credit and Security Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Credit and Security Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, or enforceable

K. THE EVENT OF A DEFAULT HEREUNDER, IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO FRANCHISOR, FRANCHISOR SHALL HAVE THE RIGHT TO ENTER UPON THE PREMISES WHERE THE COLLATERAL THAT IS INVENTORY IS LOCATED, TAKE POSSESSION OF SUCH COLLATERAL, AND REMOVE THE SAME WITH OR WITHOUT JUDICIAL PROCESS (IF SUCH TAKING WITHOUT JUDICIAL PROCESS CAN BE DONE REASONABLY AND WITHOUT BREACH OF THE PEACE), AND FRANCHISEE DOES HEREBY EXPRESSLY WAIVE ANY RIGHT TO ANY NOTICE, LEGAL PROCESS, OR JUDICIAL HEARING PRIOR TO SUCH TAKING OR POSSESSION BY FRANCHISOR. FRANCHISEE UNDERSTANDS THAT THE RIGHT TO PRIOR NOTICE AND HEARING IS A VALUABLE RIGHT AND AGREES TO THE WAIVER THEREOF AS A PART OF THE CONSIDERATION FOR AND AS AN INDUCEMENT TO FRANCHISOR TO EXTEND CREDIT NOW AND HEREAFTER TO FRANCHISEE. FRANCHISEE ACKNOWLEDGES RECEIPT OF A SIGNED COPY OF THIS AGREEMENT

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date

FRANCHISEE _____

By _____

Name _____

Title _____

[or, if an individual]

Signed _____

Name printed _____

FACE TO FACE FRANCHISING, LLC

By _____

Name Jenny Abraham

Title Managing Member

- Notarizations to Follow -

**CREDIT AND SECURITY AGREEMENT
ACKNOWLEDGMENT**

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by,
_____ who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____
My Commission Expires _____

sign _____
print _____

Personally Known ____ OR Produced Identification ____
Type of Identification Produced _____

**CREDIT AND SECURITY AGREEMENT
ACKNOWLEDGMENT**

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, Jenny
Abraham, who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____
My Commission Expires _____

sign _____
print _____

Personally Known ____ OR Produced Identification ____
Type of Identification Produced _____

**EXHIBIT 11
TO THE FRANCHISE AGREEMENT
LEASE ADDENDUM**

This Lease Addendum ("Addendum"), dated the _____ day of _____, 20____, is entered into between _____ ("Landlord") and _____ ("Tenant")

RECITALS

WHEREAS, Landlord and Tenant have entered into a Lease dated _____, 20____ (the "Lease"), relating to the premises located at _____ (the "Premises")

WHEREAS, Landlord acknowledges that Tenant intends to operate a Face to Face Spa ("Store") from the Premises pursuant to Tenant's Franchise Agreement with Face To Face Franchising, LLC, a Texas limited liability company ("Franchisor") dated _____ (the "Franchise Agreement"), which provides for, among other things, the operation by Tenant of a Face to Face Spa franchised business under Franchisor's criteria and guidelines utilizing the Face to Face name and Trademarks as Franchisor may designate in the operation of the Store at the Premises

WHEREAS, Landlord further acknowledges that Franchisor has approved Tenant's request to locate its Store on the Premises that is the subject of the Lease, provided that the conditions and agreements set forth in this Addendum are made a part of the Lease

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows

1 Permitted Use The Premises will be used solely for the operation of a retail business specializing in performing services related to facials, chemical peels, and botox injections and fillers as well as the sale of related products. The business operated by Tenant from the Premises will be identified solely by the service mark Face to Face™. Landlord will not permit Tenant to change the service mark or trade name it uses at the Premises without the prior written approval of Franchisor.

2 Remodeling and Decor

(a) Landlord agrees that Tenant has the right to remodel, equip, paint, and decorate the interior of the Premises and to display such Trademarks and signs on the interior and exterior of the Premises as Tenant is required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a Store on the Premises. Any remodel of the building and/or its signage shall be subject to Landlord's prior and reasonable approval.

(b) Tenant may, without Landlord's consent, install signage on the exterior of the Premises with Franchisor's standard lettering, logo and colors, provided, however, such signage must comply with the objective criteria, but not any subjective criteria, set forth in Landlord's sign criteria, sign program or sign plan, if any, for the project within which the Premises are located.

3 Assignment By Tenant

(a) Tenant does not have the right to sublease or assign the Lease to any third party without Landlord's and Franchisor's written approval

(b) So long as Tenant is in good standing under the Lease, Tenant has the right to assign all of its right, title, and interest in the Lease to Franchisor or its affiliates during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent. No assignment will be effective, however, until Franchisor or its designated affiliate gives Landlord written notice of its acceptance of the assignment. Franchisor will be responsible for the Lease obligations incurred after the effective date of the assignment.

(c) If Franchisor elects to assume the Lease, Franchisor shall not be required to begin paying rent until Landlord delivers possession of the Premises to the Franchisor. At any time until the Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume by written notice to the Landlord.

4 Default and Notices to Franchisor

(a) Landlord shall send Franchisor copies of any and all default notices under its Lease with Tenant at the same time it provides Tenant with such notice. If Tenant fails to cure any breach or default under the Lease within the applicable cure period set forth in the Lease, Landlord shall promptly give Franchisor written notice thereof, specifying the defaults that Tenant has failed to cure to which Franchisor has the right to unilaterally assume the Lease if Tenant fails to cure. Franchisor shall have twenty (20) days from the date Franchisor receives such notice to exercise, by written notice to Landlord and Tenant, its right to assume the Lease. Franchisor shall have an additional thirty (30) days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) If Franchisor elects to assume the Lease, Franchisor or its designated entity shall not be required to cure defaults and/or to begin paying rent until Landlord delivers possession of the Premises to the Franchisor or its designated entity. At any time until Landlord delivers possession of the Premises, Franchisor or its designated entity shall have the right to rescind the election to assume by written notice to Landlord.

5 Termination of Franchise Agreement, Expiration or Non-Renewal of Lease

(a) If Tenant is in default under the Franchise Agreement, Franchisor may, at its option, send written notice to Landlord and Tenant stating that Franchisor elects for the Tenant's interest under the Lease to be assigned to Franchisor or its designated entity. If Tenant fails to vacate the Premises and surrender possession thereof to the Franchisor or its designated entity within three (3) days after receipt of written notice of Franchisee's default, Tenant shall be deemed to be in default of the Lease. Following Landlord's delivery of a written notice of default, an assignment of the Lease shall be effected pursuant to Section 7 below. Tenant hereby irrevocably authorizes Landlord to rely on any written notice of default it receives from Franchisor, and Landlord may disregard any notices or demands it receives from Tenant once Landlord has received said written notice of default.

(b) If the Franchise Agreement is terminated for any reason during the term of the Lease or any renewal or extension thereof and if Franchisor desires to assume the Lease, Franchisor shall promptly give Landlord written notice thereof. Within twenty (20) days after receipt of such notice, Landlord shall give Franchisor written notice specifying any defaults of Tenant under the Lease. If Franchisor or its designated entity elect to assume the Lease, Franchisor or its designated entity must cure said defaults consistent with paragraph 3 above.

(c) If the Lease contains term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord shall give Franchisor written notice thereof, and Franchisor shall have the option, for thirty (30) days after receipt of said notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If the Franchisor elects to exercise such right(s), it shall so notify Landlord in writing, whereupon Landlord and the Franchisor or its designated entity shall promptly execute and deliver an agreement whereby the Franchisor or its designated entity assumes the Lease, effective at the commencement of the extension or renewal term.

6 Access to Premises Following Expiration or Termination of Lease Upon the expiration or termination of the Lease, Landlord will cooperate with and assist Franchisor in gaining possession of the Premises and, if the Franchisor does not elect to assume the Lease for the Premises consistent with subparagraphs 4(a) or 5(b) above, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord except for any damages caused by Franchisor's willful misconduct or gross negligence, to remove all signs and all other items identifying the premises as a Face to Face Spa and to make such other modifications (such as repainting) as are reasonably necessary to protect the Trademarks and system, and to distinguish the Premises from other Face to Face Spa locations. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord will permit Franchisor to remove all such assets being purchased by Franchisor.

7 Assumption and Subsequent Assignment by Franchisor If Franchisor elects to assume the Lease under paragraph 3, or unilaterally assumes the Lease as provided for in paragraphs 4 or 5, Landlord and Tenant agree that

(a) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption. Further, Tenant shall be and remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment or assumption of the Lease by Franchisor. Franchisor shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

(b) Franchisor, upon taking possession of the Premises, shall cure any default specified by Landlord within the timeframes noted herein and shall execute and deliver to Landlord its assumption of Tenant's rights and obligations under the Lease. Franchisor shall pay, perform and be bound by all the duties and obligations of the Lease applicable to Tenant, except that the Franchisor may elect not to assume or be bound by the terms of any Amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which shall not be unreasonably withheld or delayed.

(c) At or after the time Franchisor assumes Tenant's interests under the Lease, the Franchisor may, at any time, assign such interests or sublet the Premises to a Face to Face franchisee. Any such assignment shall be subject to the prior written consent of the Landlord, which Landlord shall not unreasonably withhold as it relates to a creditworthy franchisee who otherwise meets Franchisor's then-current standards and requirements for the franchisees and agrees to operate the Store as a Face to Face Spa pursuant to a Franchise Agreement with Franchisor. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions, and agreements on the part of Tenant to be performed under the Lease, Franchisor shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgement of such release by Landlord.

8 Access to Premises During Lease As provided in the Franchise Agreement, Franchisor shall have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement

9 Exclusivity During the Term of this Lease and any extension thereof, Landlord agrees that (i) Tenant shall have the exclusive right in the shopping center to provide spa related services, and (ii) spa related services and products hereunder shall be considered a protected use for Tenant. If the provisions of this Section, including the protected use provision, are violated, then in addition to any other remedy Tenant may have at law or in equity, Tenant shall have the right to (a) terminate the Lease, or (b) immediately reduce its Base Rent under the Lease to One Dollar (\$1.00) per month until such time as Landlord's breach is cured, or for the remainder of the Term, and any renewals, if such breach cannot be cured.

10 Additional Provisions

(a) Landlord hereby acknowledges that the provisions of this Lease Addendum are required pursuant to the Franchise Agreement under which Tenant plans to operate its Face to Face Spa and the Tenant would not lease the Premises without this Addendum.

(b) Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and that Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Lease Addendum with full understanding that it creates no duties, obligations, or liability of or against Franchisor or any affiliate of Franchisor, unless and until the Lease is assigned to, and accepted in writing by, Franchisor.

(c) All notices to Franchisor required by this Addendum must be in writing and sent by registered or certified mail, postage prepared, to the following address:

Face To Face Franchising, LLC
Attn: Jenny Abraham, Managing Member
3801 N. Capitol of Texas Hwy, Suite F-110
Austin, TX 78746

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

11 Sales Reports If requested by Franchisor, Landlord will provide Franchisor with whatever information Landlord has regarding Tenant's sales from the Store.

12 Amendment of Lease Landlord and Tenant will not amend the Lease without first obtaining written consent from Franchisor of the terms of said Amendment.

13 Conflicts In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth in this Lease Addendum shall govern. In the event of a conflict between notices provided to Landlord by Tenant and Franchisor, the notices of Franchisor shall prevail.

14 Miscellaneous Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Lease Addendum shall in all cases be construed simply according to its fair meaning and not strictly

for or against any party. Nothing in this Lease Addendum is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity not a party hereto. This Lease Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Lease Addendum sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Lease Addendum. This Lease Addendum may only be amended by written agreement duly executed by each party.

IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of _____, _____

LANDLORD _____

FRANCHISEE _____

By _____

By _____

Print Name _____

Print Name _____

Its _____

Its _____

EXHIBIT E

**TO FACE TO FACE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT**



By and Between

FACE TO FACE FRANCHISING, LLC, FRANCHISOR

AND

_____, DEVELOPER

TABLE OF CONTENTS

ARTICLE 1 -	DEFINITIONS	3
ARTICLE 2 -	DEVELOPMENT RIGHTS	4
ARTICLE 3 -	DEVELOPMENT FEE AND FRANCHISE FEES	5
ARTICLE 4 -	DEVELOPMENT OF FRANCHISED BUSINESS	5
ARTICLE 5 -	TERM AND RIGHT OF FIRST REFUSAL	7
ARTICLE 6 -	MARKS AND CONFIDENTIAL INFORMATION	7
ARTICLE 7 -	TRANSFERABILITY OF INTEREST	8
ARTICLE 8 -	DEFAULT AND TERMINATION	11
ARTICLE 9 -	RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION	11
ARTICLE 10 -	BENEFICIAL OWNERS OF DEVELOPER	12
ARTICLE 11 -	RELATIONSHIP AND INDEMNIFICATION	12
ARTICLE 12 -	GENERAL CONDITIONS AND PROVISIONS	13
ARTICLE 13 -	DISPUTE RESOLUTION	16
ARTICLE 14 -	ACKNOWLEDGMENTS	18

EXHIBITS

DEVELOPMENT SCHEDULE	I
GUARANTY AND ASSUMPTION OF OBLIGATIONS	II
HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN DEVELOPER, OFFICERS, DIRECTORS, AND MANAGERS	III
MULTI-STATE ADDENDUMS	IV

**FACE TO FACE FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement is made this ____ day of _____, 20__ and is by and between Face To Face Franchising, LLC, a Texas limited liability company, having its principal place of business at 3801 N Capitol of Texas Hwy, Suite F-110, Austin, TX 78746 ("Franchisor"), and _____, a _____, established in the State of _____ and whose principal address is _____ ("Developer")

WITNESSETH

WHEREAS, Franchisor and Developer are concurrently entering into the Initial Franchise Agreement, and

WHEREAS, Developer desires to, and has applied for the right to, develop additional Face to Face Spas and has applied for such a right, and Franchisor has approved Developer's application in reliance upon all of the representations made herein and therein

NOW, THEREFORE, Franchisor and Developer, intending to be legally bound, agree as follows

ARTICLE 1 - DEFINITIONS

Whenever used in this Development Agreement, the following words and terms have the following meanings

"Developer" means the individual or entity defined as "Developer" in the introductory paragraph of this Development Agreement,

"Development Agreement" means this Development Agreement titled "Face To Face Franchising, LLC Area Development Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof,

"Development Fee" has the meaning given to such term in Section 3 2,

"Development Rights" means the rights granted to Developer pursuant to this Development Agreement to establish and operate Face to Face Spas in the Development Territory,

"Development Schedule" means the schedule attached as Exhibit I setting forth the number and the Opening Dates of Face to Face Spas to be established pursuant to this Development Agreement,

"Development Territory" has the meaning given to such term in Section 2 1,

"Franchise Agreement" means any Face To Face Franchising, LLC Franchise Agreement (including all Exhibits thereto) that Franchisor has entered into with Developer,

"Initial Franchise Agreement" means that certain Face To Face Franchising, LLC Franchise Agreement (including all Exhibits thereto) between Developer and Franchisor whereby Developer is granted the right to operate its first Face to Face Spa, and

"Opening Date" means any date by which Developer is required to begin operations for each Face to Face Spa, as listed in the Development Schedule,

"Social Media" means online content created by individuals and/or entities using highly accessible and scalable publishing technologies through their desktop computer, laptop computer, smart phones, mobile phones, or by other means available in the future Social Media allows

individuals and/or entities to connect in the online world to form relationships for personal and business use. The definition of Social Media includes user-generated content and consumer-generated media. Social Media occurs in many different forms, including, but not limited to, Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos. Technologies for Social Media include, but are not limited to, blogs, picture-sharing, vlogs, wall-postings, e-mail, instant messaging, music-sharing, crowdsourcing, and voice over IP, to name a few. Some examples of Social Media sites and/or applications are Google Groups (reference, social networking), Wikipedia (reference), MySpace (social networking), Pinterest (social file sharing), Facebook (social networking), MouthShut.com and yelp.com (product reviews), Youmeo (social network aggregation), YouTube (social networking and video sharing), Avatars United (social networking), Second Life (virtual reality), Flickr (photo sharing), Twitter (social networking and microblogging), LinkedIn (business social media), Open Diary (blogging) and other microblogs such as Jaiku, among others. This list is not inclusive and shall mean all Social Media available now and created in the future,

"Transferee" means the individual or entity third party buyer, who purchases this Area Development Agreement if the Developer chooses to sell.

ARTICLE 2 - DEVELOPMENT RIGHTS

Section 2.1 Grant of Development Rights

Franchisor hereby grants to Developer, and Developer undertakes and accepts, upon the terms and conditions of this Development Agreement, the Development Rights to establish and operate not less than the total number of Face to Face™ Spas at sites located within the Development Territory described as set forth on Exhibit I.

Section 2.2 Exclusivity and Retained Rights

Franchisor shall not, so long as this Development Agreement is in force and effect and Developer is not in default under any of the terms hereof or of any Franchise Agreement for any Face to Face Spa, establish, own or operate, or license others to establish, own or operate, any Face to Face Spa within the Development Territory other than to Developer pursuant to this Development Agreement, provided, however, Franchisor and its Affiliates retain the right

- i to continue to own and operate, and allow others to continue to own and operate, Face to Face Spas existing inside or outside of the Development Territory as of the date of this Development Agreement,
- ii to establish, own or operate, and license others to establish, own or operate, Face to Face Spas outside of the Development Territory,
- iii to establish, own or operate, and license others to establish, own or operate, or continue to own or operate, businesses under other systems using other proprietary marks, both within and outside the Development Territory,
- iv to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Territory. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s). If Franchisor purchases or acquires such businesses within the Development Territory which are not franchised or licensed, Franchisor may, in its sole discretion

- 1 offer to sell any such businesses to Developer or to any third party at the business's fair market value to be operated as an Face to Face™ Spa, or
 - 2 offer Developer the opportunity to operate such business(s) in partnership with Franchisor (or an Affiliate) under the business(s) existing trade name or a different trade name
- v to be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses competitive businesses within the Development Territory,
 - vi to provide the services and sell any products authorized for Face to Face™ Spas using the Marks or other trademarks and commercial symbols through alternate channels of distribution such as joint marketing with partner companies, Internet sales and catalog sales, provided however, that no such sales shall be made to any competitive business within the Development Territory,
 - vii to engage in any activities not expressly forbidden by this Development Agreement, and/or
 - viii to authorize the sale of additional single units or area developers within your Protected Territory

ARTICLE 3 - DEVELOPMENT FEE AND FRANCHISE FEES

Section 3 1 Franchise Fees

Simultaneously with the execution of this Development Agreement, Developer shall execute the Initial Franchise Agreement and shall pay a Franchise Fee of thirty nine thousand and five hundred dollars (\$39,000 00) for the first Face to Face Spa to be developed pursuant to this Development Agreement. Developer shall execute Franchise Agreements for each additional Business when developed, and shall pay fifty percent (50%) of the Franchise Fee of thirty nine thousand and five hundred dollars (\$39,000 00) for each additional Face to Face Spa upon execution of each additional Franchise Agreement.

Section 3 2 Development Fee

Upon the execution of this Development Agreement, Developer shall pay a fee ("Development Fee") equal to fifty percent (50%) of the Initial Franchise Fee or nineteen thousand five hundred dollars (\$19,500 00) multiplied by the number of Face to Face Spas to be developed after the first Face to Face Spa pursuant to this Development Agreement. The total amount of the Development Fee to be paid by Developer upon the execution of this Development Agreement is _____ dollars (\$ _____). The Development Fee is fully earned by Franchisor and is nonrefundable.

ARTICLE 4 - DEVELOPMENT OF FRANCHISED BUSINESS

Section 4 1 Minimum Development Obligation

Developer shall strictly follow the Development Schedule set forth in Exhibit I, as time is of the essence. By the dates set forth within the Development Schedule, Developer shall establish and operate Face to Face Spas in the number indicated in the Development Schedule. Developer shall at all times continuously maintain in operation, pursuant to each Franchise Agreement, at least the number of Face

to Face Spas required to be operational at such time as set forth in the Development Schedule, provided, however, that such obligation does not apply to Face to Face Spas that are closed

Section 4 2 Developer May Exceed Minimum Development Obligation

During the term of this Development Agreement, Developer may, subject to the terms and conditions of this Development Agreement, develop and operate more Face to Face Spas in the Development Territory than required by this Development Agreement, provided, however, Developer shall give Franchisor reasonable assurances Developer has the required skill, financial resources and managerial skills to perform its duties under this Development Agreement and each Franchise Agreement. Developer shall pay the full Franchise Fee for each additional Face to Face Spa developed in excess of the requirements of this Development Agreement, and Franchisor shall not credit any part of the Development Fee against the Franchise Fee for any additional Face to Face Spas

Section 4 3 Exercise of Development Rights

Developer shall enter into a separate Franchise Agreement for each additional Face to Face Spa established pursuant to this Development Agreement. Upon approval of the site by Franchisor, as provided in Section 5 1 of the Franchise Agreement, Franchisor shall deliver two (2) copies of the Franchise Agreement along with a copy of its then-current Disclosure Document, if required by law. Immediately upon receipt of the Disclosure Document, Developer shall return to Franchisor a signed copy of the Acknowledgment of Receipt of the Disclosure Document. After any applicable waiting periods have expired, Developer shall execute and deliver to Franchisor two (2) copies of the Franchise Agreement and shall pay the Franchise Fee, as provided in Section 3 1

Section 4 4 Conditions Precedent to Franchisor's Obligation

Franchisor shall not execute the Franchise Agreement if

- (a) Developer is not in compliance with all, or is in default of any, of its obligations under this Development Agreement or any other agreement between Franchisor and Developer, or
- (b) in the case of each then existing Franchise Agreement, Developer, as Franchisee, is not in compliance with all, or is in default of any, of its obligations under any Franchise Agreement. Franchisor and Developer shall execute the Franchise Agreement for each additional Face to Face™ Business within thirty (30) days after the site has been approved by Franchisor as set forth in Section 5 1 of the Franchise Agreement (provided the lease for the approved site has been executed by lessor and Developer within the thirty [30] day period, including Franchisor's Collateral Assignment of Lease attached to the Franchise Agreement) but in no event later than the date stated in the Development Schedule that such Face to Face Spa must be established and operating

Section 4 5 No Subfranchising by Developer

Developer has no right under this Development Agreement to sublicense, subfranchise, resell or otherwise transfer any interest in any Franchised Businesses

Section 4 6 Management Obligations

Each Face to Face™ Spa developed pursuant to this Agreement must always be under the direct full-time supervision of Developer (or if Developer is a business entity and not an individual, Developer's primary owner or an individual appointed by Developer and approved in writing by Franchisor). Developer (or Developer's primary owner or an individual appointed by Developer and

approved in writing by Franchisor) must devote his or her full-time efforts (at least 35 hours per week) to the management of the day-to-day operation of the Face to Face™ Spas developed pursuant to this Development Agreement

Section 4 7 Licensed Physicians

Notwithstanding Section 4 6 of this Agreement, each Face to Face Spa performing services under the Face to Face Medi Spa system must have access to at least two (2) licensed estheticians, nurses, physicians or state approved alternative during all office hours for the performance of botox and filler services. The licensed physicians, or state approved alternative, must have exclusive rights to give medical advice to patients without the influence or direction of Developer or any other person not authorized to practice medicine

ARTICLE 5 - TERM AND RIGHT OF FIRST REFUSAL

Section 5 1 Term

Unless sooner terminated in accordance with the terms of this Development Agreement, the term of this Development Agreement and all Development Rights granted herein to Developer shall expire on the last Opening Date as set forth in the Development Schedule. At the end of the term of this Development Agreement, the exclusive Development Rights with respect to the Development Territory will automatically terminate, and Developer shall have no right to renew or extend the term of this Development Agreement

Section 5 2 Developer's Right of First Refusal

Following the expiration of this Development Agreement, Franchisor has the right to re-evaluate the prospects for the establishment of Face to Face™ Businesses in the Development Territory. If Franchisor determines that the Development Territory can be further developed by opening additional Face to Face™ Spas in the Development Territory without having an unreasonably adverse effect on the Face to Face™ Spas already existing within the Development Territory, then during a one (1) year period beginning on the day after the Development Agreement expires, if Franchisor elects to further develop the Development Territory, Developer has the right to establish, own and operate any additional Face to Face™ Spa Franchisor proposes to locate within the Development Territory, provided Developer meets all other terms and conditions stated in this Section 5 2 and this Development Agreement. Franchisor shall give Developer written notice of its proposal to develop additional Face to Face™ Spas within the Development Territory and Developer shall have thirty (30) days to accept in writing Franchisor's proposal to own and operate such additional Face to Face™ Spas. Developer's ownership and operation of such additional Face to Face™ Spas shall be subject to the terms and conditions set forth in Franchisor's written proposal, which may vary in form and substance from the terms, conditions and economics set forth in this Development Agreement. If Developer fails to accept in writing Franchisor's written proposal within such thirty (30) day period (or if Developer fails to comply with the terms of the proposal), then Franchisor shall have the right to establish, own and operate, or license others to establish, own and operate, Face to Face™ Businesses in the Development Territory

ARTICLE 6 - MARKS AND CONFIDENTIAL INFORMATION

Section 6 1 No License Under Development Agreement

Notwithstanding any provision to the contrary under this Development Agreement, this Development Agreement does not grant Developer any right to use the Marks. The right to use the Marks may only be granted by the terms of a Franchise Agreement. Developer shall not use any Mark as

part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modifying words, terms, designs or symbols, or in any modified form, nor may Developer use any Mark in connection with any business or activity other than the business conducted by Developer pursuant to the Franchise Agreements or in any other manner not explicitly authorized in writing by Franchisor

Section 6 2 Confidential Information

Except as hereinafter provided, Developer shall not, during the term of this Development Agreement or at any time thereafter, whether in person, in writing or through the Internet or online Social Media sites or applications, communicate, divulge or use for the benefit of any other person or entity, any Trade Secrets or Confidential Information which may be communicated to Developer or of which Developer may learn by virtue of Developer's activities under this Development Agreement. Developer may divulge Trade Secrets and Confidential Information only to such of its employees as deemed necessary by Developer. Developer shall require its employees and all other persons designated in the Franchise Agreement to execute Non-Disclosure and Non-Competition Agreements as required by Section 7 4 of the Initial Franchise Agreement.

ARTICLE 7 - TRANSFERABILITY OF INTEREST

Section 7 1 By Franchisor

This Development Agreement and all rights herein may be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns, provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor herein, and Franchisor shall have no liability for the performance of any obligations contained in this Development Agreement after the effective date of such transfer or assignment.

Section 7 2 By Developer

If the Developer chooses to sell his or her Area Development Agreement to a third party Transferee, the Developer must adhere to the following covenants, acknowledgements, requirements and conditions

- i The Development Rights set forth in this Development Agreement are personal to Developer and are granted in reliance upon the personal qualifications of Developer. Developer has represented, and hereby represents, it is entering into this Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights,
- ii Developer, without Franchisor's prior written consent, shall not sell, assign, transfer, convey, give away or encumber any part of its interest in this Development Agreement, its interest in the Development Rights granted hereby, its interest in any entity that owns any interest in such rights, or any interest in Developer, and shall not offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way. Developer shall not, without the prior written consent of Franchisor, fractionalize any of the Development Rights granted pursuant to this Development Agreement. Any purported sale, assignment, transfer, conveyance, gift or encumbrance of any of Developer's rights herein not having Franchisor's prior written consent shall be null and void and shall constitute a material default of this Development Agreement,

- 111 So long as Developer is in full compliance with this Development Agreement, and should Franchisor not elect to exercise its right of first refusal as provided in Section 7.4, Franchisor shall not unreasonably withhold its approval of an assignment or transfer to proposed assignees or Transferees if
- a Developer has complied with the requirements of Section 7.2,
 - b all obligations owed to Franchisor by Developer are fully paid and satisfied,
 - c Developer (and any transferring owners, if Developer is a business entity) has executed a mutual general release, in a form the same as or similar to the General Release attached to the Initial Franchise Agreement, of any and all claims against both parties, including its equity owners, officers, directors, managers, attorneys, agents, employees and others as set forth in the General Release, in their corporate and individual capacities, including modifying the General Release to include, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Development Agreement or to the transfer of Developer's interest herein or to the transfer of Developer's ownership of all or any part of the Development Rights, provided, however, that if a general release is prohibited, both parties shall give the maximum release allowed by law,
 - d the prospective Transferee has satisfied to Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to determine Transferee's ability to carry out the obligations contained in the Development Agreement and in a franchise agreement,
 - e the Transferee has executed a general release, in a form the same as or similar to the General Release attached to the Initial Franchise Agreement, of any and all claims against Franchisor and its equity owners, officers, directors, managers, attorneys, agents, employees and others as set forth in the General Release, in their corporate and individual capacities, including modifying the General Release to include any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the Transferee by Developer,
 - f Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective Transferee relating to the intended sale, assignment, transfer, conveyance, gift or encumbrance of the Development Rights,
 - g Developer, or the Transferee, has paid to Franchisor a transfer fee in the amount of Ten Thousand Dollars (\$10,000.00) for the first franchise unit transferred, plus One Thousand Dollars (\$1,000.00) for each additional franchise unit transferred to the same Transferee
 - h the Transferee has agreed to be personally bound jointly and severally by all provisions of this Development Agreement for the remainder of its term and all holders of a legal or beneficial interest in the Transferee have agreed to personally guarantee jointly and severally the full performance thereof by Transferee,

- i The Transferee has agreed to be personally bound jointly and severally by all provisions of the existing franchise agreement(s), in place between Developer and Franchisor, and all holders of a legal or beneficial interest in the Transferee have agreed to personally guarantee jointly and severally the full performance thereof by the Transferee,
- j The Transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied, and
- k Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have, executed and delivered to Franchisor a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Initial Franchise Agreement

Section 7 3 Public or Private Offerings

If Developer desires to make either a public or a private offering of its securities, prior to such offering and sale and prior to the public release of any statements, data or other information of any kind relating to the proposed offering of Developer's securities, Developer shall secure the written approval of Franchisor, which approval Franchisor shall be entitled to withhold in its sole discretion. Developer shall secure Franchisor's prior written approval of any and all press releases, news releases and any and all other publicity, the primary purpose of which is in the public interest in its offering. Only to the extent that written approval has been given by Franchisor may Developer proceed to file, publish, issue, release and make public any data, material or information regarding its securities offering. Any review by Franchisor is solely for its own information, and its approval shall not constitute any kind of authorization, acceptance, agreement, endorsement, approval or ratification of the same, either express or implied, and Developer shall make no oral or written notice of any kind whatsoever indicating or implying that Franchisor or its Affiliates have any interest in or relationship whatsoever to the proposed offering other than Franchisor acting as Franchisor. Developer shall indemnify and hold harmless Franchisor and its Affiliates, and their owners, directors, officers, managers, members, attorneys, agents, employees, successors and assigns, from all claims, demands, costs, fees, charges, liabilities or expenses (including attorneys' fees) of any kind whatsoever arising from Developer's offering or information published or communicated and any actions taken with regard thereto.

Section 7 4 Franchisor's Right of First Refusal

If Developer or its owners shall at any time determine to sell, assign, transfer, convey, give away or encumber the Development Rights under this Development Agreement or any of their respective ownership interests in Developer, or any of Developer's assets (except in the ordinary course of business), Developer or its owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed person or entity, as applicable, and shall submit an exact copy of such offer to Franchisor, and Franchisor shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer, to purchase such interests for the price and on the terms and conditions contained in such offer, provided, however, Franchisor may substitute cash for any form of payment proposed in such offer and Franchisor shall have not less than sixty (60) days from the date of delivery of its written notice of intent to purchase to complete such purchase. Franchisor's credit shall be deemed at least equal to the credit of said person or entity, as applicable. If Franchisor does not exercise this right of first refusal, Developer may complete the sale of such interest, subject to Section 7 2. If such sale, assignment, transfer, conveyance, gift or encumbrance is not completed within one hundred and twenty (120) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein.

ARTICLE 8 - DEFAULT AND TERMINATION

Section 8 1 Termination Without Opportunity to Cure

Franchisor has the right to immediately terminate this Development Agreement by delivering a notice to Developer stating Franchisor elects to terminate this Development Agreement as a result of any of the breaches set forth below

- i Developer makes or attempts to make an unauthorized sale, assignment, transfer, conveyance, gift or encumbrance of any part of its interest in this Development Agreement, its interest in the Development Rights granted hereby, its interest in any entity that owns any interest in such rights, or any interest in Developer,
- ii Developer has made any material misrepresentation or omission in its application for the Development Rights conferred by this Development Agreement,
- iii Developer is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Marks,
- iv Developer is convicted of or pleads no contest to a crime involving spousal, sexual, animal minor, or elderly abuse
- v Developer makes any unauthorized use of the Marks or unauthorized use or disclosure of the Confidential Information,
- vi Franchisor has delivered a notice of termination for a Franchise Agreement between Franchisor and Developer in accordance with its terms and conditions, or Developer has terminated a Franchise Agreement without cause, or
- vii Developer fails to meet or satisfy any timing requirement or deadline contained in the Development Schedule

Section 8 2 Termination With Opportunity to Cure

If Developer fails to comply with any other provision of this Development Agreement Franchisor may terminate this Development Agreement by delivering notice of termination to Developer stating the reason for termination, provided Developer shall have the right to cure a breach within thirty (30) days after delivery of Franchisor's notice of termination

ARTICLE 9 - RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION

Section 9 1 Loss of Development Rights

Upon termination of this Development Agreement, the Development Rights granted to Developer under this Development Agreement shall automatically terminate. Developer shall have no additional rights to establish or operate any Face to Face™ Spa for which a Franchise Agreement has not been executed by Franchisor and Developer. No default under this Development Agreement shall constitute a default under any Franchise Agreement between the parties, except to the extent that any default under this Development Agreement constitutes a default under any Franchise Agreement in accordance with the terms of the Franchise Agreement. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by the Developer and shall control in determining whether any default exists under such Franchise Agreement.

Section 9.2 Amounts Owed to Franchisor

Developer shall immediately pay to Franchisor upon termination or expiration of the Development Agreement any amounts owed by Developer to Franchisor that are then unpaid, plus any interest due

Section 9.3 Confidential Information

Upon termination or expiration of this Development Agreement, Developer and all of its employees, agents or other representatives shall immediately cease to use and shall maintain the absolute confidentiality of any Trade Secrets and Confidential Information disclosed or otherwise learned or acquired by Developer and shall not use such Trade Secrets and Confidential Information in any other business or venture

Section 9.4 Covenant Not to Compete

During the term and after the termination of this Development Agreement, Developer and any beneficial owner of an interest in Developer shall be subject to all of the restrictive covenants set forth in Article 7 and Article 17 of the Initial Franchise Agreement, as applicable, which covenants by this reference are incorporated herein

Section 9.5 Continuing Obligations

All obligations of Franchisor and Developer under this Development Agreement that expressly or by their nature survive the expiration or termination of this Development Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire

ARTICLE 10 - BENEFICIAL OWNERS OF DEVELOPER

Developer represents, and Franchisor enters into this Development Agreement in reliance upon such representation, that the individuals identified in Exhibit III as Holders of a Legal or Beneficial Interest are the sole holders of a legal or beneficial interest (in the stated proportions) of Developer

ARTICLE 11 - RELATIONSHIP AND INDEMNIFICATION

Section 11.1 Relationship

This Development Agreement is purely a contractual relationship between the parties and does not appoint or make Developer an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Developer may not represent or imply to third parties that Developer is an agent of Franchisor, and Developer is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Developer. In no event shall this Development Agreement or any conduct pursuant hereto make Franchisor a fiduciary with respect to Developer. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the development of any Face to Face™ Business pursuant to this Development Agreement. Any third party contractors and vendors retained by Developer for remodeling or construction or any other purpose are independent contractors of Developer alone.

Section 11 2 Standard of Care

This Development Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Development Agreement with respect to certain issues, whenever this Development Agreement requires Developer to obtain Franchisor's written consent or permits Developer to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Developer or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

Section 11 3 Indemnification

Developer shall hold harmless and indemnify Franchisor, its Affiliates, all holders of a legal or beneficial interest in Franchisor and/or its Affiliates, and all of Franchisor's and its Affiliates' officers, directors, executives, managers, partners, owners, members, employees, legal representatives, attorneys, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arise from, are based upon or are related to Developer's (a) development, ownership or operation of any Face to Face™ Spa, (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule, (c) breach of any representation, warranty, covenant, or provision of this Development Agreement or any other agreement between Developer and Franchisor (or any of its Affiliates), (d) defamation of Franchisor or the System, (e) acts, errors or omissions by Developer or any of its partners, owners, members, officers, directors, managers, employees or agents, committed or incurred in connection with the development of Face to Face™ Spas, including any negligent or intentional acts or omissions, or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. Franchisor's right to indemnity shall exist notwithstanding the fact joint or several liability may be imposed upon Franchisor by statute, ordinance, regulation or judicial or arbitral decision.

ARTICLE 12 - GENERAL CONDITIONS AND PROVISIONS

Section 12 1 Superiority of Franchise Agreement

Developer acknowledges that any and all Franchise Agreements executed in connection with an individual Face to Face™ Spa within the Development Territory are independent of this Development Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Development Agreement. If any conflict shall arise in connection with this Development Agreement and any such Franchise Agreement, the latter shall have precedence and superiority over the former.

Section 12 2 No Waiver

No failure of Franchisor to exercise any power reserved to it herein, or to insist upon strict compliance by Developer with any obligation or condition herein, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Development Agreement. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Development Agreement.

Section 12.3 Injunctive Relief and Specific Performance

As any breach by Developer of any of the restrictions or obligations contained in this Agreement would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, and/or specific performance with respect to such breach without the necessity of posting security or bond

Section 12.4 Notices

All notices required or permitted under this Development Agreement shall be in writing and shall be deemed received (a) at the time delivered by hand to the recipient party (or to an officer, director, manager or partner of the recipient party), (b) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service, or (c) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 12.4. All notices, payments and reports required by this Development Agreement shall be sent to Developer at the address set forth in the introductory paragraph of this Development Agreement and to Franchisor at the following addresses:

Face To Face Franchising, LLC
Attn: Jenny Abraham, Managing Member
3801 N. Capitol of Texas Hwy, Suite F-110
Austin, TX 78746

With a copy to

Shelton & Power, LLC
202 Walton Way, Ste 192
Cedar Park, TX 78613

Section 12.5 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Developer of five percent (5%) or greater shall be required to execute, as of the date of this Development Agreement, the Guaranty and Assumption of Obligations attached as Exhibit II.

Section 12.6 Approvals

Whenever this Development Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor for its approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer or any third party, by providing any waiver, approval, advice, consent or services to Developer in connection with this Development Agreement, or by reason of any neglect, delay or denial of any request for approval.

Section 12.7 Entire Agreement

Subject to Section 12.7 of this Development Agreement, the Exhibits attached hereto and thus made a part hereof and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Developer concerning the subject matter hereof, and shall supersede all prior agreements. Except for any representation by Franchisor

contained herein, no other representation, oral or otherwise, has induced Developer to execute this Development Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. There are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or within the Initial Franchise Agreement which are of any force or effect with respect to the matters set forth in or contemplated by this Development Agreement or otherwise. No amendment, change or variance from this Development Agreement shall be binding on either party unless executed in writing by both parties.

Section 12.8 Severability and Modification

Except as noted below, each Section, paragraph, part, term and provision of this Development Agreement shall be considered severable. If any Section, paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, Sections, paragraphs, parts, terms and provisions of this Development Agreement, and the latter shall continue to be given full force and effect and bind the parties, and such unenforceable, unreasonable or invalid Sections, paragraphs, parts, terms or provisions shall be deemed not part of this Development Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Development Agreement, Franchisor has the right to, at its option, terminate this Development Agreement.

Notwithstanding the above, each of the covenants contained in Article 6, and Article 9 shall be construed as independent of any other covenant or provision of this Development Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent permitted by law.

Section 12.9 Construction

All captions herein or in the Exhibits attached hereto and thus made a part hereof, are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof or thereof. Should any provision of this Development Agreement require interpretation or construction, it is agreed by the Franchisor and Developer the court, administrative body or other person or entity interpreting or construing this Development Agreement shall not apply a presumption the provisions hereof shall be more strictly construed against the Franchisor by reason of the rule of construction that a document is to be construed more strictly against the person or entity who, or through its agent, prepared same.

Section 12.10 Force Majeure

Whenever a period of time is provided in this Development Agreement for either party to perform any act, except pay monies to Franchisor, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Development Agreement.

Section 12.11 Timing

Time is of the essence. Except as set forth in Section 12.10, failure to perform any act within the time required or permitted by this Development Agreement, shall be a material breach.

Section 12 12 Further Assurances

Each party to this Development Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Development Agreement

Section 12 13 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Development Agreement is intended, nor shall be deemed, to confer upon any person or entity other than Franchisor or Developer, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement

Section 12 14 Multiple Originals

Both parties shall execute multiple copies of this Development Agreement and each executed copy shall be deemed an original

ARTICLE 13 - DISPUTE RESOLUTION

Section 13 1 Choice of Law

Except to the extent this Development Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, this Development Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflict of laws principles) References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time References to a governmental agency also refer to any regulatory body that succeeds the function of such agency

Section 13 2 Consent to Jurisdiction

Claims for injunctive relief or specific performance may be brought by Franchisor where Developer is located

Section 13 3 Rights and Remedies

Nothing contained herein shall bar Franchisor's right to obtain injunctive relief or specific performance against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions Developer's rights and remedies regarding Franchisor's breach of this Development Agreement are as set forth in this Development Agreement

Section 13 4 Limitations of Claims

Any claim concerning the Franchised Business or this Development Agreement or any related agreement will be barred unless an action relating to the ownership of any of Franchisor's Marks, or for injunctive relief, specific performance or non-binding mediation, as set forth in this Agreement, is commenced within one (1) year from the date on which Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim

Section 13.5 Limitation of Damages

Developer and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other. Developer waives and disclaims any right or claim to consequential damages in any action or claim against Franchisor concerning this Development Agreement or any related agreement. In any claim or action brought by Developer against Franchisor concerning this Development Agreement, Developer's damages shall not exceed an amount greater than Developer's Development Fee.

Section 13.6 Waiver of Jury Trial

DEVELOPER AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM RELATING TO THE OWNERSHIP OF ANY OF FRANCHISOR'S MARKS OR THE UNAUTHORIZED USE OR DISCLOSURE OF FRANCHISOR'S TRADE SECRETS OR CONFIDENTIAL INFORMATION OR FOR INJUNCTIVE RELIEF OR SPECIFIC PERFORMANCE.

Section 13.7 Mediation

Except for actions or claims for injunctive relief or specific performance or the unauthorized use or disclosure of Franchisor's Trade Secrets or Confidential Information, all claims, disputes and other matters in question between Franchisor and Franchisee arising out of or relating to this Agreement, the business relationship or any other agreement, including whether this Mediation clause is binding upon the parties, shall be resolved by non-binding mediation before the Center for Public Resources -- National Franchise Mediation Program, FAM, or another mutually agreeable mediator. Notwithstanding the above, the following shall not be subject to mediation:

- (i) disputes and controversies arising from the Sherman Act, the Clayton Act or any other Federal or state antitrust law,
- (ii) disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership, use, misuse or validity of any Confidential Information, the Proprietary Marks or any other trademarks,
- (iii) disputes and controversies relating to actions to obtain possession of the premises of the Business under lease or sublease.

Both parties will sign a confidentiality agreement reasonably satisfactory to Franchisor. Upon submission, the obligation to attend mediation in the county and state designated by Franchisor (currently Williamson County, Texas) is binding on both parties. Each party will bear his, her or its own costs for the mediation, except the mediation fee and the fee for the mediator will be split equally.

To initiate mediation, either Franchisor or Franchisee shall appoint one mediator and after appointment of the mediator, shall notify in writing the other of such appointment and the name of and the contact information for the mediator within three (3) business days after selection of said mediator. The mediation shall be conducted in Williamson County, Texas as directed by the sole mediator. If an agreement is reached between the parties, then the signed award of the mediator shall be final and binding upon Franchisor and Franchisee and any other party to the mediation. Judgment may be entered upon the award of the mediator in any court having competent jurisdiction. If a first mediation session is unsuccessful, both parties agree to attend a second mediation under the same terms and conditions within 30 days of the completion of the first mediation session.

Franchisee acknowledges it has read the terms of this non-binding mediation provision and affirms each provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees

ARTICLE 14 - ACKNOWLEDGMENTS

Section 14 1 Receipt of this Development Agreement and the Franchise Disclosure Document

Developer represents and acknowledges it has received, read and understands this Development Agreement and Franchisor's Franchise Disclosure Document, and Franchisor has accorded Developer ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Development Agreement. Developer represents and acknowledges it has received an exact copy of this Development Agreement and its Exhibits fully executed except for signatures or personal information, prior to the date on which this Development Agreement was executed. Developer further represents and acknowledges it has received, at least fourteen (14) calendar days prior to the date on which this Development Agreement was executed, the Disclosure Document required by the 2007 Amendment to the Federal Trade Commission Rule entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

Section 14 2 Consultation by Developer

Developer represents it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Development Agreement, the business franchised hereby and the prospects for that business. Developer represents it has either consulted with such advisors or has deliberately declined to do so.

Section 14 3 True and Accurate Information

Developer represents all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Developer acknowledges Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

Section 14 4 Risk

Developer represents it has conducted an independent investigation of the business contemplated by this Development Agreement and acknowledges, like any other business, an investment in this Development Agreement and/or a Face to Face™ Spa involves business risks and the success of the venture(s) is dependent, among other factors, upon the business abilities and efforts of Developer. Franchisor makes no representations or warranties, express or implied, in this Development Agreement or otherwise, as to the potential success of the business venture(s) contemplated hereby.

Section 14 5 No Guarantee of Success

Developer represents and acknowledges it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of any Face to Face™ Spa to be developed pursuant to this Development Agreement. Developer represents and acknowledges there have been no representations by Franchisor's owners, members, managers, directors, employees, attorneys or agents that are not contained in, or are inconsistent with, the statements made in the Initial Franchise Agreement or this Development Agreement.

Section 14 6 No Violation of Other Agreements

Developer represents its execution of this Development Agreement will not violate any other agreement or commitment to which Developer or any holder of a legal or beneficial interest in Developer is a party

Section 14 7 Independent Obligations

Each obligation or other provision contained in this Development Agreement shall be deemed and construed as a separate and independent obligation of the party bound by, undertaking or making the same, and not dependent on any other provisions of this Development Agreement, unless expressly so provided If any party has breached any obligation or other provision contained in this Agreement in any respect, the fact there exists another obligation or provision relating to the same subject matter (regardless of the relative levels of specificity), which the party has not breached shall not detract from or mitigate the fact the party is in breach of the first obligation or other provision contained in this Development Agreement

Section 14 8 Gender

Whenever the context of this Development Agreement requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Development Agreement on the date set forth in the introductory paragraph of this Development Agreement

FACE TO FACE FRANCHISING, LLC

By _____
Print Name Jenny Abraham
Title Managing Member

DEVELOPER _____

By _____
Print Name _____
Title _____
[or, if an Individual]

Signed _____
Print Name _____

AREA DEVELOPMENT AGREEMENT ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, _____ who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____

My Commission Expires

sign _____

print _____

Personally Known ____ OR Produced Identification ____

Type of Identification Produced _____

AREA DEVELOPMENT AGREEMENT ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on _____, 20____, by, Jenny Abraham, who personally appeared before me at the time of notarization

NOTARY PUBLIC - STATE OF _____

My Commission Expires

sign _____

print _____

Personally Known ____ OR Produced Identification ____

Type of Identification Produced _____

EXHIBIT I TO THE
AREA DEVELOPMENT AGREEMENT

Developer agrees that they shall be opened for business within the Granted Territory by the date indicated in Column III below and operating at all times thereafter during the term of this Agreement not less than the cumulative minimum number of Face to Face Spas listed in Column IV of this Exhibit I

“Effective Date” of Execution ____/____/____

I Unit Sequence	II Fee Paid to Franchisor Per unit for Area Development Rights	III Latest date for Commencement of Each such unit	IV Cumulative Minimum Number of units In Operation
-----------------------	---	---	---

SAMPLE DEVELOPMENT SCHEDULE

Developer agrees that they shall be opened for business within the Granted Territory by the date indicated in Column III below and operating at all times thereafter during the term of this Agreement not less than the cumulative minimum number of Face to Face Spas listed in Column IV of this Exhibit I

“Effective Date” of Execution ____/____/____

I Unit Sequence	II Fee Paid to Franchisor Per unit for Area Development Rights	III Latest date for Commencement of Each such unit	IV Cumulative Minimum Number of units In Operation
1 st Unit	\$39,000	December 31, 2014	1
2 nd Unit	\$19,500	December 31, 2015	2
3 rd Unit	\$19,500	December 31, 2016	3

EXHIBIT II TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this ____ day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("Agreement") by Face To Face Franchising, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) shall personally be bound by, and personally liable for the breach of each and every provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Each of the undersigned waives (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed, (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability, and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that (a) his direct and immediate liability under this Guaranty shall be joint and several, (b) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so, (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person, and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned further consents and agrees it shall be a party to any of the actions or claims between Franchisor and Developer for injunctive relief or specific performance or relating to the ownership of any of Franchisor's Marks or the unauthorized use or disclosure of Franchisor's Trade Secrets or Confidential Information, or which are to be resolved by non-binding mediation as set forth in the Agreement. Each of the undersigned also agrees to be personally bound by the waiver of jury trial as set forth in Section 23.6 of the Initial Franchise Agreement.

Whenever the context of this Guaranty requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural.

Capitalized terms not defined herein shall have the meaning set forth in the Area Development Agreement or the Initial Franchise Agreement.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by each of the undersigned, intending to be legally bound hereby, on the date set forth in the introductory paragraph of this Guaranty.

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)
HOME ADDRESS

TELEPHONE NO _____
PERCENTAGE OF OWNERSHIP _____ IN
FRANCHISEE _%
SOCIAL SECURITY # _____

*** NOTE ALL OWNERS OF 5% OR MORE INTEREST IN THE LEGAL ENTITY MUST FILL OUT THIS PAGE**

EXHIBIT III TO THE AREA DEVELOPMENT AGREEMENT

**ALL HOLDERS OF 5% OR MORE LEGAL OR BENEFICIAL INTEREST
IN DEVELOPER, OFFICERS, DIRECTORS AND MANAGERS**

Holders of Legal or Beneficial Interest

Name _____
Position/Title _____
Home Address _____

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Officers, Directors and Managers

Name _____
Position/Title _____
Home Address _____

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Name _____
Position/Title _____
Home Address _____

Name _____
Position/Title _____
Home Address _____

Telephone No _____
E-mail address _____
Percentage of ownership _____%

Telephone No _____
E-mail address _____
Percentage of ownership _____%

EXHIBIT IV TO THE AREA DEVELOPMENT AGREEMENT
MULTI-STATE ADDENDUMS

To Avoid Duplication in the Disclosure Document These Are Located At
Exhibit G to the Franchise Disclosure Document
On The Execution Copy the Applicable State Addendum Will Be
Located At This Exhibit IV to the Area Development Agreement

EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT
FACE TO FACE FRANCHISING, LLC
MULTI-STATE ADDENDUMS

STATE ADDENDUMS

(ADDITIONAL INFORMATION REQUIRED BY CERTAIN STATES)

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code 31000-31516, and the California Franchise Relations Acts, Cal Bus & Prof Code 20000-20043, the Franchise Disclosure Document for Face To Face Franchising, LLC for use in the State of California shall be amended as follows

- 1 The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document,
- 2 Section 31125 of the California Corporation Code requires us to give you a disclosure document in a form approved by the Department of Corporations before asking you to consider a material modification of an existing Franchise Agreement,
- 3 The franchise agreement requires you to execute a general release of claims upon renewal or transfer of the franchise agreement California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516) Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043),
- 4 California Business and Professions Code, Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control,
- 5 The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq),
- 6 The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law,
- 7 The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable,
- 8 The Franchise Agreement requires application of the laws and forum of the State of Texas This provision may not be enforceable under California law,
- 9 The Franchise Agreement requires non-binding mediation The mediation will occur only in the State of Texas Costs will be borne by you This provision may not be enforceable under California law,
- 10 Neither Face to Face Franchise, LLC, *any* person or franchise broker in Item 2 of the FDD is subject to any currently effective order or any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a *et seq* suspending or expelling these persons from membership in such association or exchange, and
- 11 If you are not approved as a Franchisee due to background checks or if you cannot finalize the funding of your franchise system, we will refund you the entire deposit
- 12 The continuation of your Territory depends on your market penetration
- 13 OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS

CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE
CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT
<http://www.dbo.ca.gov/>

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this
Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the
Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF CONNECTICUT

In recognition of the requirements of the Connecticut Business Opportunity Investment Act, Sections 36(b)-60 *et seq* and Conn Gen Stat Ann 42-133(e) to 42-133(h), the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of Connecticut shall be amended as follows

- 1 The Connecticut statute 42-133(f) requires that a copy of the franchisor's Intent not to renew be given six months prior to the expiration of the current Franchise Agreement, unless the alleged grounds are for voluntary abandonment by the franchisee of the franchise relationship,
- 2 Pursuant to Connecticut statute 42-133(f)(c) upon termination of any franchise the franchisee shall be allowed fair and reasonable compensation by the franchisor for the franchisee's inventory, supplies, equipment and furnishings purchased by the franchisee from the franchisor or its approved sources under the terms of the franchise or any ancillary or collateral agreement, however no compensation shall be allowed for personalized items which have no value to the franchisor,
- 3 No franchise entered into or renewed shall be for a term of less than three years and for successive terms of not less than three years thereafter unless cancelled, terminated or not renewed, and
- 4 Any waiver of the rights of a franchisee under sections 42-133(f) or 42-133(g) which is contained in the Franchise Agreement shall be void

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED FOR HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq* the Franchise Disclosure Document for Face To Face Franchising, LLC, is amended as follows

- 1 These franchises have been filed under the Franchise Investment Law of the State of Hawaii Filing does not constitute approval, recommendation of endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete and not misleading,
- 2 The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchisee, or subfranchisor at least seven days prior to the execution by the prospective franchisee, of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document together with a copy of all proposed agreements relating to the sale of the franchise,
- 3 The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement If the Agreement, and more specifically Articles 4, 16, 17 and 18 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control,
- 4 Articles 4 and 18 require Franchisee to sign a general release as a condition of renewal and transfer of the franchise, such release shall exclude claims arising under the Hawaii Franchise Investment Law,
- 5 Section 16 2, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U S C Section 101, *et seq*),
- 6 This Disclosure Document contains a summary only of certain material provisions of the franchise Agreement The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the Franchisor and the Franchisee, and
- 7 Registered agent in the state authorized to receive service of process Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813

- THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK -

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, III Comp Stat 705/1 to 705/44 the Franchise Disclosure Document for Face to Face Franchise, LLC, for use in the State of Illinois shall be amended to include the following

Cover Page & Item 17, Additional Disclosures The following statements are added to the cover page and Item 17

The Illinois Franchise disclosure Act provides that any provision in the Franchise Agreement or the Area Development Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987, with respect to such provision, are met independently, without reference to this Addendum. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met

- THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK -

AMENDMENT TO THE FACE TO FACE FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

This Amendment to the Face to Face Franchise Agreement dated _____ between Face To Face Franchising, LLC, (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement This Amendment is being executed because a) the offer or sale of the franchise to Franchisee was made in the State of Illinois, b) Franchisee is a resident of the State of Illinois, and/or c) the franchise will be located or operated in the State of Illinois

- 2 Section 22 6 is deleted and replaced with the following

This Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Franchisee to execute this Agreement

- 3 The following sentence is added to the end of Section 23 1

Notwithstanding the foregoing, the Illinois Franchise Disclosure Act shall govern this Agreement

- 4 The following sentence is added to the end of Section 23 2

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in this Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois

- 5 The following sentence is added at the end of Section 23 4

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of 3 years of the violation, 1 year after Franchisee becomes aware of the underlying facts or circumstances, or 90 days after delivery to Franchisee of a written notice disclosing the violation

- 6 The following sentence is added to the end of Section 23 5

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void

- 7 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement

8 Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

**AMENDMENT TO THE FACE TO FACE AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

This Amendment to the Face to Face Area Development Agreement dated _____
between Face To Face Franchising, LLC, ("Franchisor") and
_____ ("Developer") is entered into simultaneously with the
execution of the Area Development Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Area Development Agreement. This Amendment is being executed because a) the offer or sale of the franchise area to Developer was made in the State of Illinois, b) Developer is a resident of the State of Illinois, and/or c) the Territory within the Area Development Agreement will be located or operated in the State of Illinois.

- 2 Section 12.7 is deleted and replaced with the following:

This Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Developer concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Developer to execute this Agreement.

- 3 The following sentence is added to the end of Section 13.1:

Notwithstanding the foregoing, the Illinois Franchise Disclosure Act shall govern this Agreement.

- 4 The following sentence is added to the end of Section 13.2:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in this Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

- 5 The following sentence is added to the end of Section 13.4:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of 3 years of the violation, 1 year after Developer becomes aware of the underlying facts or circumstances, or 90 days after delivery to Developer of a written notice disclosing the violation.

- 6 The following sentence is added to the end of Section 13.5:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any Developer to waive compliance with any provision of the Act is void.

- 7 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Area Development Agreement
- 8 Except as expressly modified by this Amendment, the Area Development Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, Developer and Franchisor have executed this Amendment to the Area Development Agreement in duplicate simultaneously with the execution of the Area Development Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code 23-2-2 5-1 to 23-2-2 5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2 7-1 to 23-2-2 7-7, the Franchise Disclosure Document for Face To Face Franchising, LLC for use in the State of Indiana shall be amended as follows

- 1 The Indiana Deceptive Franchise Practices Act requires that Indiana law govern any cause of action arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act and prohibits limiting litigation brought for breach of the agreement in any manner whatsoever,
- 2 Item 12, "Territory," shall be amended by the addition of the following paragraph We will not compete unfairly with you within a reasonable area,
- 3 The Indiana Deceptive Franchise Practices Act makes it unlawful to require a Franchisee to covenant not to compete with Face To Face Franchising, LLC for a period longer than three (3) years or in an area of reasonable size upon termination of or failure to renew the franchise,
- 4 Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code 23-2-2 5-1 to 23-2-2 5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2 7-1 to 23-2-2 7-7, are met independently without reference to this Addendum to the Disclosure Document,
- 5 Item 17p (your death or disability) of the Disclosure Document and Sections 16 2 and 18 6 of the Franchise Agreement is amended to provide for a period of 180 days following disapproval to sell the Face To Face Franchising, LLC franchise to an assignee acceptable to Face To Face Franchising, LLC, and
- 6 Item 17v (choice of forum) of the Disclosure Document and Section 23 2 of the Franchise Agreement (Exhibit G) is amended to provide that litigation may occur in the State of Indiana

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 17, Additional Disclosures The following statements are added to Item 17

The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Item 17(c) is amended to include: The General Release required as a condition of renewal, sale, and/or assignment/transfer *shall not apply* to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17(u), (v) and (w) are amended to include: A franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

- THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK -

AMENDMENT TO THE FACE TO FACE FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Amendment to the Face to Face Franchise Agreement dated _____ between
Face To Face Franchising, LLC, ("Franchisor") and
_____ ("Franchisee") is entered into simultaneously with
the execution of the Franchise Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement. This Amendment is being executed because a) the offer or sale of the franchise to Franchisee was made in the State of Maryland, b) Franchisee is a resident of the State of Maryland, and/or c) the franchise will be located or operated in the State of Maryland.

- 2 The following sentence is added to the end of Transfer by Franchisee to a Third Party, Section 18.2:

This Section is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

- 3 The following sentence is added to the end of Transfer to a Controlled Entity, Section 18.3:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

- 4 The following sentence is added to the end of Choice of Law, Section 23.1:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern this Agreement.

- 5 The following sentence is added to the end of Consent to Jurisdiction, Section 23.2:

A Franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

- 6 The following sentence is added at the end of Limitations of Claims, Section 23.4:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

- 7 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

- 8 Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

**AMENDMENT TO THE FACE TO FACE AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Amendment to the Face to Face Area Development Agreement dated _____
between Face To Face Franchising, LLC, ("Franchisor") and
_____ ("Developer") is entered into simultaneously with the
execution of the Area Development Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Area Development Agreement This Amendment is being executed because a) the offer or sale of the franchise area to Developer was made in the State of Maryland, b) Developer is a resident of the State of Maryland, and/or c) the Territory within the Area Development Agreement will be located or operated in the State of Maryland
- 2 The following sentence is added to the end of Transferability of Interest By Developer, Section 7 2

This Section is not intended to, nor shall it act as a, release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

- 3 The following sentence is added to the end of Public or Private Offerings, Section 7 3

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

- 4 The following sentence is added to the end of Consent to Jurisdiction, Section 13 2

A Developer in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

- 5 The following sentence is added at the end of Limitations of Claims, Section 13 4

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Developer franchise

- 6 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Area Development Agreement
- 7 Except as expressly modified by this Amendment, the Area Development Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, Developer and Franchisor have executed this Amendment to the Area Development Agreement in duplicate simultaneously with the execution of the Area Development Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF MICHIGAN

In recognition of the requirements of the Michigan Franchise Investment Law, which prohibits certain unfair provisions that are sometimes in franchise documents, if any of the below provisions are contained within the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of Michigan those provisions are void and cannot be enforced against you

- 1 A prohibition of your right to join an association of Franchisees,
- 2 A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims,
- 3 A provision that permits us to terminate a franchise prior to the expiration of this term except for good cause Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure,
- 4 A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation This subsection applies only if (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise,
- 5 A provision that permits us to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances This section does not require a renewal provision,
- 6 A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude the franchisee from entering into an agreement, at the time of arbitration or litigation, to conduct arbitration or litigation at a location outside this state,
- 7 A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to
 - a The failure of the proposed Transferee to meet our then-current reasonable qualifications or standards,
 - b The fact that the proposed Transferee is our or subfranchisor's competitor,
 - c The unwillingness of the proposed Transferee to agree in writing to comply with all lawful obligations,
 - d Your or proposed Transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer,

8 A provision that requires you to resell to us items that are not uniquely identified with us This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in subdivision (C),

9 A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services,

10 If our most recent financial statements are unaudited and show a net worth of less than \$100,000 00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled At our option, a surety bond may be provided in place of escrow, and

11 THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL Any questions regarding this notice should be directed to State of Michigan, Consumer Protection Division, Attention Franchise Bureau, 670 Law Building, Lansing, MI 48913, (517) 373-7117

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn Stat 80C 01 through 80C 22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn Rules 2860 0100 through 2860 9930, the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of Minnesota shall be amended as follows

- 1 Minnesota Statute 80C 21 and Minnesota Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statute, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction,
- 2 With respect to franchises governed by Minnesota law, the Face To Face Franchising, LLC will comply with Minnesota Statutes Sec 80C 14, Subs, 3,4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement,
- 3 Minnesota Rule 2860 4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C 01-80C 22, and
- 4 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this Addendum to the Disclosure Document

- THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK -

AMENDMENT TO THE FACE TO FACE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

This Amendment to the Face to Face Franchise Agreement dated _____ between Face To Face Franchising, LLC, ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Franchise Agreement This Amendment is being executed because a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota, b) Franchisee is a resident of the State of Minnesota, and/or c) the franchise will be located or operated in the State of Minnesota

- 2 Section 22 6 is deleted and replaced with the following

This Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Franchisee to execute this Agreement

- 3 The following sentence is added to the end of Section 23 1

Notwithstanding the foregoing, the Minnesota Franchise Act shall govern this Agreement

- 4 The following sentence is added to the end of Section 18 2

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01-80C 22

- 5 The following sentence is added to the end of Sections 16 2 and 18 2

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes Sec 80C 14, Subs, 3,4, and 5 which require, (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld

- 6 The following sentence is added at the end of Section 17 9

Under Minnesota Rule 2860 4400J, certain liquidated damages clauses are unenforceable

- 7 The following sentence is added to the end of Section 23 2

Minnesota Statute §80C 21 and Minnesota Rule 2860 4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota In addition, nothing in this Agreement

can abrogate or reduce Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C , or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

The franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief See Minn Rules 2860 4400J

- 8 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement
- 9 Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

**AMENDMENT TO THE FACE TO FACE AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

This Amendment to the Face to Face Area Development Agreement dated _____ between Face To Face Franchising, LLC, ("Franchisor") and _____ ("Developer") is entered into simultaneously with the execution of the Area Development Agreement

- 1 The provisions of this Amendment form an integral part of, and are incorporated into, the Area Development Agreement. This Amendment is being executed because a) the offer or sale of the franchise to Developer was made in the State of Minnesota, b) Developer is a resident of the State of Minnesota, and/or c) the franchise will be located or operated in the State of Minnesota

- 2 Section 12.7 is deleted and replaced with the following

This Developer Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Developer concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Developer to execute this Agreement

- 3 The following sentence is added to the end of Section 13.1

Notwithstanding the foregoing, the Minnesota Franchise Act shall govern this Agreement

- 4 The following sentence is added to the end of Section 7.2

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01-80C.22

- 5 The following sentence is added to the end of Articles 7 and 8

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes Sec. 80C.14, Subs. 3, 4, and 5 which require, except in certain specified cases, that a Developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Area Development Agreement

- 6 The following sentence is added at the end of Section 8.1

Under Minnesota Rule 2860.4400J, certain liquidated damages clauses are unenforceable

- 7 The following sentence is added to the end of Section 13.2

Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Area Development Agreement can abrogate or reduce Developer's rights as provided for in

Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

- 8 Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Area Development Agreement
- 9 Except as expressly modified by this Amendment, the Area Development Agreement remains unmodified and in full force and effect

IN WITNESS WHEREOF, Developer and Franchisor have executed this Amendment to the Area Development Agreement in duplicate simultaneously with the execution of the Area Development Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name **Jenny Abraham**

Title _____

Title **Managing Member**

ATTEST/WITNESS

DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

AMENDMENT TO THE FACE TO FACE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF NEW YORK

This Amendment to the Face to Face Franchise Agreement dated _____ between Face To Face Franchising, LLC, ("Franchisor") and _____ ("Franchisee or Developer") is entered into simultaneously with the execution of the Franchise Agreement and/or the Area Development Agreement

In recognition of the requirements of the General Business Law of the State of New York, Article 3, Section 687 and Article 33, Sections 680-695, and the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of New York shall be amended as follows

- 1 Face To Face Franchising, LLC may, if it chooses, negotiate with you about items covered in the prospectus. However, Face To Face Franchising, LLC cannot use the negotiating process to prevail upon a prospective Franchisee to accept terms which are less favorable than those set forth in this prospectus.

- 2 Item 3, Additional Disclosure. The following is added to the end of Item 3

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessor or affiliates nor any person named in Item 2 in this Disclosure Document has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor conviction or pleaded *nolo contendere* to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involve violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practices law as a result of a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

- 3 Item 4, Additional Disclosure. The following is added to the end of Item 4

Except as described above, neither we nor any of our predecessors, affiliates, or officers, during the ten (10) year period immediately preceding the date of this Disclosure Document, been adjudged bankrupt or reorganized due to insolvency or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within one (1) year after the period that such officer or general

partner of the Franchisor held such position in such company or partnership, nor has any such bankruptcy or reorganization proceeding been commenced

4 Item 5, Additional Disclosure The following is added to the end of Item 5

The initial franchise fee in Item 5 of the Disclosure Document is part profit to Franchisor and said fee is also applied to Costs and expenses incurred in the assistance and supervision furnished by Franchisor to Franchisee in the opening of Franchisee's franchise unit and the day-to-day operations of same, legal fees, accounting fees, and other costs and expenses incurred in complying with federal, state and local disclosure, registration and franchise related laws, rules and regulations, Franchisor's employee salaries and fringe benefits, costs and expenses incurred by Franchisor in the registration, enforcement and protection of all of the Marks and the rights of Franchisee to use the same

5 Item 7, Additional Disclosure The following is added to the end of Item 7

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS TO US IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE

6 Item 9, Additional Disclosure The following is added to the end of Item 9

Face To Face Franchising, LLC imposes no further restrictions or conditions on the purchasing, leasing, or renting of goods or services by you

7 Item 14, Additional Disclosure The following is added to the end of Item 14 under the subheading Manual

Any revisions to the Manuals will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement

8 Item 15, Additional Disclosure The following is added to the end of Item 15

There is no specific amount of equity interest that the Representative must own

9 Item 17, Additional Disclosure The following is added to the end of Item 17

Face To Face Franchising, LLC will not assign its rights under the Franchise Agreement or the Area Development Agreement except to an assignee who in Face To Face Franchising, LLC good faith and judgment is willing and able to assume Face to Face Franchising, LLC's obligations under the Franchise Agreement and the Area Development Agreement

Notwithstanding Item 17(d) of the Disclosure Document, New York provides that Franchisee may terminate the Agreement upon valid legal grounds

The New York General Business Law requires that New York law govern any cause of action which arises under the New York General Business Law

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement or the Area Development Agreement

You must sign a general release when you enter the Area Development Agreement and the Franchise Agreement and if you transfer your franchise These provisions may not be enforceable under New York law

The New York General Business Law requires that Face To Face Franchising, LLC make proper proofs to the appropriate authority prior to that authority granting to Face To Face Franchising, LLC injunctive relief under the Area Development Agreement or the Franchise Agreement

You may terminate the Area Development Agreement and the Franchise Agreement upon any grounds available by law

- 10 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York, Article 3, Section 687 and Article 33, Sections 680-695, and the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 200.16, are met independently without reference to this Addendum to the Disclosure Document. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

© Shelton & Power LLC 2014

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law, N D Cent Code 51-19-01 through 51-19-17, and the policies of the Office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Face to Face Franchising, LLC for use in the State of North Dakota shall be amended as follows

- 1 Item 17(r), (non-competition covenants), of the Disclosure Document, Sections 2 5, and 17 2 and Exhibit 2 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which the Franchisee must agree The Securities Commissioner of the State of North Dakota has held that covenants restricting competition, contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law Covenants not to compete such as those referenced above are generally considered unenforceable in the State of North Dakota,
- 2 Item 17(v), (choice of forum) of the Disclosure Document and Section 23 2, of the Franchise Agreement provide that Franchisees must consent to the jurisdiction of the District Court of Williamson County, Texas The Securities Commissioner of the State of North Dakota has held that requiring Franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law, therefore, this provision is void and of no effect in the State of North Dakota
- 3 Item 17(w), (choice of law) of the Disclosure Document and Section 23 1, of the Franchise Agreement provide that Texas law governs the Franchise Agreement The Securities Commissioner of the State of North Dakota has held that Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, therefore, this provision is void and of no effect in the State of North Dakota,
- 4 Sections 23 2 and 23 7 of the Franchise Agreement provides that Franchisees must consent to the jurisdiction of the District Court of Williamson County, Texas The Securities Commissioner of the State of North Dakota has held that requiring Franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law The site of mediation or arbitration shall be agreeable to all parties, therefore, this provision is amended to provide that the state of mediation or arbitration shall be agreeable to all parties,
- 5 Section 23 5 of the Franchise Agreement stipulates that the Franchisee shall pay all costs and expenses incurred by the Face To Face Franchising, LLC in enforcing the Franchise Agreement The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law Therefore, the referenced section of the Franchise Agreement is amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney fees,
- 6 Section 23 5 of the Franchise Agreement requires the Franchisee to consent to a waiver of consequential damages The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the

North Dakota Franchise Investment Law, therefore, this provision is void and of no effect in the State of North Dakota, and

- 7 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently referenced to this Addendum to the Disclosure Document

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face to Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, 19-28 1-1 through 19-28 1-34, the Franchise Disclosure Document of Face to Face Franchising, LLC for use in the State of Rhode Island shall be amended as follows

- 1 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by Section 19-28 1-14 of the Rhode Island Franchise Investment Act which provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act", and
- 2 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act 19-28 1-1 through 19-28 1-34, are met independently without reference to this Addendum to the Disclosure Document

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name **Jenny Abraham**

Title _____

Title **Managing Member**

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

In recognition of the requirements of the South Dakota Franchises for Brand-Name Goods and Services Law, S D Codified Laws 37-5B-01 through 37-5B-53, the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of South Dakota shall be amended as follows

- 1 Section 23 7, of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein "In the event that either party shall make demand for mediation, such mediation shall be conducted in a mutually agreed upon site
- 2 Item 17 of the Disclosure Document and Section 17 2 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein "Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law " To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern
- 3 Item 17(e) & (f) (termination without cause & with cause) of the Disclosure Document and Sections 16 2 and 16 3 of the Franchise Agreement are amended by the following language South Dakota law provides for a thirty (30) day notice to cure any default prior to termination, including the non-payment of royalty and service fees, amount due for purchases from the Company or its affiliates or other payments due to the Company
- 4 Section 23 1 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein "The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of Texas "
- 5 Section 23 7 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein "In the event that either party shall make demand for mediation, such mediation shall be conducted in a mutually agreed upon site The mediation proceeding shall take place in the County of Williamson, State of Texas In connection with any mediation proceeding the provisions of Rule 408 of the Federal Rules of Evidence
- 6 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchises Brand-Name Goods and Services Law are met independently without reference to this Addendum to the Disclosure Document

- THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK -

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the requirements of Virginia Franchise Protections laws, the Franchise Agreement for Face to Face Franchising, LLC, for use in the State of Virginia shall be amended as follows

- 1 Section 16 2, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U S C Section 101, *et seq*),
- 2 The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payments of the Initial Franchise Fee and other Initial Payments owed by Franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement, and
- 3 Additional Disclosure The following statements are added to Item 17 h Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to cancel a franchise without reasonable cause If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash Rev Code 19 100 180 to 19 100 190, the Franchise Disclosure Document for Face to Face Franchising, LLC, for use in the State of Washington shall be amended as follows

- 1 Notwithstanding anything herein to the contrary, the Washington Franchise Investment Protection Act provides
 - a That mediation sites or venue in the State of Washington, shall be in a mutually agreed upon place, or as determined by the arbitrator at the time of mediation
 - b That a Franchisee may not waive any rights under the Washington Franchise Investment Protection Act
 - c That Transfer Fees to be imposed are permissible only to the extent that they compensate for expenses incurred by the Face To Face Franchising, LLC as a result of the transfer
 - d That in the event of a conflict of law the provisions of the Washington Franchise Investment Protection Act shall prevail
- 2 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash Rev Code 19 100 180 to 19 100 190, are met independently without reference to this Addendum to the Disclosure Document

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

In recognition of the requirements of the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 and Wis Stat 553.27(4), the Franchise Disclosure Document for Face To Face Franchising, LLC, for use in the State of Wisconsin shall be amended as follows

- 1 The Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 applies to most, if not all, Franchise Agreements and prohibits the Termination, Cancellation, Non-Renewal of substantial change of the competitive circumstances of a Franchise Agreement without good cause. The Law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the Franchisee. The Franchisee has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Section 23.1 of the Disclosure Document and the corresponding section of the Franchisor License Agreement should state that the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 laws supersedes any provisions contained in the Franchise or License Agreement that are consistent with that law, and
- 2 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Department of Financial Institutions law are met independently without reference to this Addendum to this Disclosure Document

IN WITNESS WHEREOF, Franchisee and/or Developer and Franchisor have executed this Amendment to the Franchise Agreement in duplicate simultaneously with the execution of the Franchise Agreement

ATTEST

Face To Face Franchising, LLC

By _____

By _____

Print Name _____

Print Name Jenny Abraham

Title _____

Title Managing Member

ATTEST/WITNESS

FRANCHISEE / DEVELOPER

By _____

By _____

Print Name _____

Print Name _____

Title _____

Title _____

EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT
FACE TO FACE FRANCHISING, LLC
LIST OF STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure and registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states. There may also be additional agents appointed in some of the states listed.

California

(State Administrator)

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500 Toll Free (866) 275-2677

(Agent for Service of Process)

Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

Hawaii

(State Administrator)

Business Registration Division
Commissioner of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(Agent for Service of Process)

Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Connecticut

(State Administrator)

State of Connecticut, Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

(Agent for Service of Process)

Banking Commissioner
44 Capitol Ave
Hartford, CT 06106
(860) 240-8299

Illinois

(State Administrator)

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

(Agent for Service of Process)

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana*(State Administrator)*

Indiana Secretary of State
Securities Division, E-111
302 Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(Agent for Service of Process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Michigan*(State Administrator)*

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

(Agent for Service of Process)

Dept of the Attorney General's Office
Consumer Protection Division
525 Ottawa Street, 6th Floor
Lansing, MI 48909
(517) 373-7117

New York*(State Administrator)*

Bureau of Investor Protection and Securities
State of New York Office of Attorney General
120 Broadway, Room 23-138
New York, New York 10271
(212) 416-8236

(Agent for Service of Process)

Secretary of State of New York
41 State Street
Albany, New York 12231
(212) 416-8800

Maryland*(State Administrator)*

Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(Agent for Service of Process)

Securities Commissioner
Maryland Division of Securities
200 St Paul Place
Baltimore, MD 21202
(410) 576-6360

Minnesota*(State Administrator)*

Minnesota Department of Commerce
85 7th Place East, Suite 500
St Paul, Minnesota 55101-2198
(651) 296-6328

(Agent for Service of Process)

Minnesota Commissioner of Commerce
85 7th Place East, Suite 500
St Paul, MN 55101-2198
(612) 296-6328

North Dakota*(State Administrator)*

North Dakota Securities Department
State Capitol, Fifth Floor, Dept 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-2910

(Agent for Service of Process)

North Dakota Securities Department
State Capitol, Fifth Floor,
600 East Boulevard Avenue
Bismarck, North Dakota 58505
(701) 328-4712

Oregon*(State Administrator)*

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

(Agent for Service of Process)

Division of Finance & Corporate Securities
PO Box 14480
Salem, OR 97309
503-378-4140

South Carolina*(State Administrator)*

Secretary of State
Attn Business Opportunities and Franchises
P O Box 11350
Columbia, SC 29211
(803) 734-1728

(Agent for Service of Process)

Secretary of State
Attn Business Opportunities and Franchises
P O Box 11350
Columbia, SC 29211
(803) 734-1728

Texas*(State Administrator)*

Department of Corporations, Secretary of State
Franchise and Business Opportunity Division
1019 Brazos
Austin, TX 78701
(512) 475-0775

(Agent for Service of Process)

Secretary of State
1019 Brazos
Austin, TX 78701
(512) 475-0775

Rhode Island*(State Administrator)*

Securities Division, Dept of Business
Regulation
1511 Pontiac Avenue, Bldg 69-1
Cranston, Rhode Island 02910
(401) 462-9582

(Agent for Service of Process)

Director of Rhode Island Dept of Business
Registration
Securities Division
233 Richmond Street, Suite 232
Providence, RI 02903-4232
(401) 222-3048

South Dakota*(State Administrator)*

Department of Revenue & Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

(Agent for Service of Process)

Director of South Dakota Securities
445 Capitol Avenue
Pierre, SD 57501
(605) 773-4823

Virginia*(State Administrator)*

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

(Agent for Service of Process)

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

Washington

(State Administrator)

Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, WA 98501
(360) 902-8762

(Agent for Service of Process)

Director, Department of Financial Institutions
Securities Division
150 Israel Road S W
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

(State Administrator)

Division of Securities
Department of Financial Institutions
345 W Washington Ave , 4th Floor
Madison, Wisconsin 53703
(608) 266-1064

(Agent for Service of Process)

Office of the Commissioner of Securities
345 West Washington Avenue
Madison, WI 53703
(608) 266-1064

EXHIBIT H
ITEM 23 – RECEIPT TO THE DISCLOSURE DOCUMENT
(Keep this copy for Your records)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Face To Face Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale [or sooner if required by your state applicable law]

[Maryland, New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the Franchise Agreement]

[Michigan, Oregon, and Washington require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first]

If Face To Face Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and to the applicable state agency listed in Exhibit H

The franchise seller for this is Jenny Abraham, whose address is 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746, (800) 797-1345

The issuance date of this Federal Franchise Disclosure Document is August 3, 2015, the Effective Date for your state, is the date listed on the State Cover Page at the beginning of this Disclosure Document

I have received a disclosure document dated August 3, 2015, that included the following Exhibits

A Financial Statements	B Franchisee Locations	C Confidentiality Agreement
D Franchise Agreement	E Area Development Agreement	F State Addendums
G State Administrators	H Receipts & Acknowledgment	

Received Date _____, 201__

Individually

Print Name

as an officer, member or partner of

name of entity

a _____ state corporation, LLC or partnership
(circle one)

You may return the signed receipt either by signing, dating, and mailing to Face To Face Franchising, LLC at 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746 or by e-mailing it to Franchising@FaceToFaceSpa.com

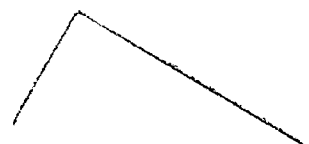


EXHIBIT H
ITEM 23 – RECEIPT TO THE DISCLOSURE DOCUMENT
(Return this copy to Us)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Face To Face Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale [or sooner if required by your state applicable law]

[Maryland, New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship]

[Michigan, Oregon, and Washington require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first]

If Face To Face Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and to the applicable state agency listed in Exhibit H

The franchise seller for this is Jenny Abraham, whose address is 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746, (800) 797-1345

The issuance date of this Federal Franchise Disclosure Document is August 3, 2015, the Effective Date for your state, is the date listed on the State Cover Page at the beginning of this Disclosure Document

I have received a disclosure document dated August 3, 2015, that included the following Exhibits

A Financial Statements	B Franchisee Locations	C Confidentiality Agreement
D Franchise Agreement	E Area Development Agreement	F State Addendums
G State Administrators	H Receipts & Acknowledgment	

Received Date _____, 201__

Individually

Print Name

as an officer, member or partner of

name of entity

a _____ state corporation, LLC or partnership
(circle one)

You may return the signed receipt either by signing, dating, and mailing to Face To Face Franchising, LLC at 3801 N Capitol of Texas Hwy , Suite F-110, Austin, TX 78746 or by e-mailing it to Franchising@FaceToFaceSpa.com

